

INSIDE: WHY THE LIBERALS ARE BREAKING RANKS

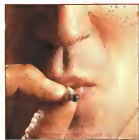
Maclean's

SEPTEMBER 29, 1986

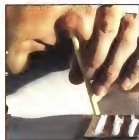
CANADA'S WEEKLY NEWSMAGAZINE

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CANADA'S WEEKLY NEWSMAGAZINE

Maclean's

SEPTEMBER 30, 1994 VOL. 19 NO. 39

COVER

A new crusade against drugs

In U.S. cities, the latest drug problem is a destructive form of cocaine known as crack. And amid a widening U.S. drug crisis, President Ronald Reagan and his wife, Nancy, declare war on illegal drugs last week. But Prime Minister Brian Mulroney became embroiled in controversy when he promised to combat a similar "epidemic" in Canada. — **Page 38**

COVER PHOTOGRAPH BY GUY LAWRENCE/GETTY IMAGES



Trouble at the Liberal helm

A bitter internal feud over the Liberal party's position on Quebec and the Constitution posed a new challenge to the troubled leadership of John Turner. — **Page 10**



An establishment battle

The courtroom spectacle played out in Halifax last week revealed how the creases of Nova Scotia's business elite waged a battle against two tenacious outsiders. — **Page 24**



Terror on the boulevards

As Parisians reeled from a wave of terrorist bombings that left eight people dead and 170 injured, Prime Minister Jacques Chirac promised a "crushing" response. — **Page 15**



From the stars to the stake

Kelly Preston is blond and beautiful, and her mix as an actress, a prostitute and a Parisian prove she has selling versatility in addition to looks. — **Page 32**

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A timely initiative

There is a seriously misleading argument made in some quarters against any laws that make the possession or use of many dangerous drugs illegal. Those who take that position say that when there is no crime, there cannot be a crime. The theory runs that even if a drug user seriously harms himself, he should not be punished because he has not harmed anyone else. Citizens must be educated in the dangers of drugs, but the substances themselves should not be illegal. It is that reasoning that fuels many of the criticisms of Prime Minister Brian Mulroney's commendable initiative to just wake to crack



Marshall, Gray and Barber, random and increasing violence

down on illegal drugs and stifles the endorsement of laws against their possession or sale. But the no-victim, no-crime argument is dangerously flawed.

As this week's main cover story—written by Senior Writer John Barber and edited by Departments Editor Malcolm Gray, with overall supervision by Assistant Managing Editor Robert Marshall—points out, there are victims. They are the families and friends who suffer the often violent abuse of addicted users. They are also the unsuspecting victims of the random and increasing violence so often inspired by drugs. Mulroney's initiative is a timely one. If it avoids the excesses now creeping into the American anti-drug campaign, it will help to restore dignity to many lives—and save many others.

Kevin Doyle

September 25, 2005

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LETTERS

Sexual politics

It is ironic that in your issue devoted to censorship ("Censored: a sweeping attack on explicit sex," Cover, Sept. 13, your People section features a photo of 16-year-old Markie Schiavone apparently designed to appeal to prurient tastes: bare shoulders and midriff, sultry look, hand on hip in a provocative pose. Kidding porn is *Markie's*!

—ROGER CONNOR, Montreal

I received the Sept. 1 issue of your magazine and was quite surprised by the semi-nude on the cover. Her pose and facial expression were definitely intended to titillate. So, despite my attempt at making the picture acceptable by giving "Censored" across her breasts, I resolved to remove the cover of the magazine before my children could see it. On opening the magazine, however, I was horrified at the graphically gory picture of a victim of mob violence on the first page. I looked through the whole magazine with my disgust mounting at more semi-nude pictures very evident in the background of several photographs. It is necessary to be informed about social and political issues, it is not necessary to subject our minds to shocking visual images.

—DENIS PORTER, St. Andrews West, Ont.

After I read the sex and censorship article of Sept. 1, I was left puzzled. I was rather surprised to find that the Ontario Film Review Board had taken the time to agree together all those pornographic scenes that they felt were



Toronto theatre hints attitudes

damaging to me to make their 20-minute "harvest show." I understand that these scenes were sent for the public's eyes. Who watches "Harvey Brown's harvest show"? —CHARLENE MACKELLAR, Ottawa

It is obvious that neither Customs nor John Crosbie understands the difference between pornography and mere sexual explicitness. Being true to their prurish ancestors—like at the turn of the century were banning birth control information—they are now censoring information about safe sex, information that is needed to help contain the spread of AIDS and other sexually transmitted diseases. Not only is the public's health endangered but free speech in Canada is being eroded to the point where we may start banning classes on human biology and physiology. —PETER TITUS, Montreal

I was somewhat disturbed by the growing pro-censorship movement described in your Sept. 1 issue. The very concept of censorship implies the notion that people cannot think for themselves. If we cannot decide for ourselves what is good or bad (as books or films, how can we justify democracy—in which we decide who will be our own government? Until the laws are changed, censorship in Canada will continue to be nothing but a disgusting farce. —DANIEL KILICK, Toronto

Conspicuously, Markie's You again have referred Canadian youth as having bizarre sex attitudes are. If we had any pride in being a human animal, we would insist on better social and moral behavior. But also, we regard freedom of speech as more valuable than some of our female pimps, or children. —ELIZABETH BRIDLEY, Mississauga, Ont.

PASSAGES

DEED Movie-maker Judy Crawley, 73, who with her husband, Budgy Crawley, pioneered independent movie production in Canada, after a respiratory illness, in Ottawa. The Crawleys began working on movies in 1955 and later established Crawley Films, a business that was originally run from an attic but which by 1968 was operating a \$250,000 soundstage and a \$500,000 studio. The Crawleys' 1976 adventure documentary, *The Man Who Stood Down Everest*, won Canada's only Academy Award for a feature-length production.

ORIGINEE A new trial for convicted murderer David Lortie, 37, who in May, 1984, killed three people and wounded 13 others in a school-bus attack in Quebec's National Assembly, by the Quebec Court of Appeal. The court said that the facts of the case were not in question but that the trial judge, Mr. Justice Ivan Nadeau of the Quebec Superior Court, made a legal error in instructing jurors to ignore certain passages of psychiatric testimony. During the five-week trial, which resulted in Lortie's conviction and a sentence of life imprisonment, defence counsel Andre Rayer acknowledged that Lortie had opened fire in the legislature but argued that his client was insane at the time.

IRISH British actress Pat Phoenix, 63, who played the part of brassy, sexually adventurous Elsie Tanner on Britain's longest-running TV series, *Gormley Street*, of long career, following a two-month battle with the disease, near Manchester. The popular soap, which entertains one-third of Britain's population, also has a cult following in Canada. Phoenix starred in the show from its inception in 1963 until 1983. A week before she died, Phoenix married her third husband and longtime lover, Tony Booth, 65, a former star of the British TV comedy *Ed Duffell's Go On*. At the same time, she resumed the last rites of the Roman Catholic Church.

APPOINTED Law professor Bheendra Gada Ranehwal, 65, as South Africa's ambassador to the Far Eastern Commonwealth, a posting that makes him the first nonwhite foreign ambassador ever appointed by the country's white-minority government. Ranehwal, who is of East Indian descent, recently supervised firsthand the effects of apartheid when he was refused permission to serve on a segregated white school in Johannesburg. Asked how he felt about serving the government during a period of racial conflict, Ranehwal declared: "One has got to try to work for a more just society. I hope to be able to do so in my new position."

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In your Passports section (Aug. 26), you described Anne Squires, the new moderator of the United Church of Canada, as a 65-year-old grandmother. By focusing on her family status (a source of description you newly apply to men) rather than on her noteworthy history within the United Church, you have trivialized both her and her position. I am most disappointed in Maclean's for this sort of poor journalism.

PAMELA J. BOWEN,
Saskatoon, Sask.

Wan Cohen has constructed a very likely scenario for a dangerous depression ("Signals of a looming depression," Column, Aug. 25). But how can she set the debts of the Canadian and U.S. governments at \$90 billion and \$230 billion respectively, when these amounts account only for the additions to be made in the national debt of those nations during the current fiscal year? The Canadian national debt (federal only) must be close to \$200 billion and that of the United States to a trillion.

— ALFRED F. DUNN, JR.,
Director

Dan Cohen's column offers little comfort. The experts argue about the course of past events and speculate about the future. In Hansen's name, if they don't understand what they know, how can they predict what they don't know? Can we clarify the statement, "The Congressional Budget Office estimates that the U.S. is in deficit of \$30 billion in debt"? Is that it? Or, is that it for this year? Are we not in debt for about \$300 billion per year for several years? All too often our annual debt is treated as the problem. It's not the problem. Lowering the annual deficit is no achievement. Lowering

—HANSO MARTIN
Toronto

My wife and I were very impressed with Dana Cohen's outlook regarding a depression. The so-called experts say "It can't happen again" because the stock market is tightly regulated. The media will likely invent a new name, because a depression won't be caused by the stock market, but rather by our government and the banks. They can call it "deficitpression."

—JULIUS, Vancouver

Letters are edited and may be condensed.
Readers should supply name, address and telephone number. Most correspondence is.
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Q&A: THE DALAI LAMA

Tibet's untiring defender

Known in the West as the god-king of Tibet, the Dalai Lama once lived in magnificent splendor in a 1,000-room palace. But over time a failed rebellion against Communist Chinese rule prompted his flight to India in 1959. Tibet's exiled spiritual and secular leader has lived a more modest life. The Dalai Lama, now 82, still steadfastly recognizes for an end to what he calls the occupation of his holy homeland by the Communist Chinese, who took control of it in 1959. Maclean's correspondent Glenn Mullin recently interviewed the Dalai Lama at his home in Dharamshala, in the Himalayan foothills of India.

And the most nationalistic (among them) are those youths who were taken away for education in China. While in China they were given the official party line, but when they returned to Tibet they saw the distance between Communist ideology and the actual practices. This has created a deeply resented disillusionment and a renewed determina-



The Dalai Lama: facing a supreme test of courage.

Maclean's: Do you find any progress in being made in your negotiations with the Peking government?

Dalai Lama: In some aspects there has been progress. For example, our sense of communication has improved. On the other hand, concrete progress has proved to be elusive. In the present age, when most countries are decolonizing, China persists in her policy of the colonization of Tibet.

Maclean's: Why do you continue to demand nothing less than total independence for Tibet?

Dalai Lama: The main problem is that there is not much respect for truth on the Chinese side. For many years they have simply respected the power of violence and intimidation. But we hope their attitude will improve. We hope that they will realistically consider their colonial attitudes. By taking over Tibet they have opened up a large land border touching on several countries with whom they traditionally do not have friendly relations. This has created numerous security problems for everyone concerned, problems that cost China millions of dollars. For many countries Tibet has served as a buffer zone. We feel that it is in everyone's interest, at least of all China's, for it to regain this status.

Maclean's: But after nearly three decades, have Tibetans tired of opposing the Chinese?

Dalai Lama: What is striking here is

that for Tibetan independence. On the other hand, many of them seem to have psychological problems resulting from the Chinese aggression. Alcoholism has become widespread.

Maclean's: What do you think of recent Chinese policy changes towards Tibet, including opening of a foreign tourists and encouraging economic reforms?

Dalai Lama: The bulk of the benefits are claimed for the Chinese. But there are side benefits for the Tibetans, mostly of a political nature. The opening of Tibet to foreign travel does help to increase outside awareness of the situation there. Everyone can now see the nature of Chinese colonial rule in Tibet.

Maclean's: How do you evaluate Chinese claims that they are allowing greater freedom of religious expression?

Dalai Lama: This is being done only on a superficial level. They have permitted the Tibetans to open a few monasteries and temples, but only as showpieces for tourists. A handful of new Tibetan youths are permitted to enter these monasteries, but even then the study period allowed for them is far too inadequate to allow for real learning. This

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makes a problem for Buddhism, which relies heavily upon study and learning for the transmission of spiritual knowledge.

Maclean's: How do you feel about Peking's policy of relocating ethnic Chinese to Tibet?

Dalai Lama: The number of "imported" Chinese is alarming. Much of the fertile land has been taken over by Chinese immigrants, while the native Tibetans are being pushed back into remote, desolate places. The Tibetans have become a minority in their own land. If this policy is allowed to continue, Tibet will no longer be a Tibetan area. It will be another land populated by Han Chinese and dominated by Han culture. Already, the Chinese have cut down and burned away most of our forests and have destroyed much of our natural wildlife.

Maclean's: In recent decades interest in Buddhism has spread throughout the West. How do you react to that?

Dalai Lama: Buddhism is very sophisticated philosophically and strongly stresses reasonability. In this sense it is very modern in its sensitivity and outlook. There is a basis here for co-operation and dialogue with Western sciences. Every religion has its own character and atmosphere. I truly respect Christianity and the nobility that has made and continues to make its way to world civilization. But no-one religion is appropriate for all types of people. Just as Buddhism is not best for everyone, Christianity is not appropriate to all types of dispositions. For people who want to follow a path of skeptical inquiry and reason rather than a path of faith, Buddhism may prove useful.

Maclean's: What future do you see for Tibet?

Dalai Lama: We Tibetans complain over the fact that China invaded our country and now colonizes it. But this isn't because we hate the Chinese. They provided us with a supreme test of courage. Now it is time for them to leave. They should go home and tend to the problems of their own country. This would be better for them as well as for the Tibetans. We have a right to follow our own destiny, to live according to our own culture and identity. Nobody has the right to colonize others. I feel that the Buddhist emphasis on love, compassion and patience has aided us considerably in coming through this difficult period of our history. It has helped us to maintain a sense of clarity, strength and humor. The Tibetan people can still smile and laugh. They can still look to the future with hope. We call it *ren-gepo*, "the good heart." As a people, we still possess "the good heart." We very much enjoy our people—they have done well.



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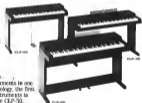
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FOLLOW-UP

Fallout from a megaproject



Darlington construction site: repairing a giant public utility's twisted image

Descriptions of the project are littered with superlatives. On one of the largest construction sites in the world—Ontario Hydro's Darlington Nuclear Generating Station—stand some enormous construction cranes, and more than 7,000 workers are employed there. When all four massive nuclear reactors begin operating by 1992, the plant, located 50 km east of Toronto, will be one of the largest nuclear power stations in North America, producing 3,500 megawatts, enough to supply three million households. Last month, despite continuing controversy over the cost and the need to build Darlington, the Ontario government decided to complete the project. Now, officials for Ontario Hydro, which is developing the site, are considering more projects. Said Kenneth Seelover, an engineer with Hydro's system planning division: "We are starting to wonder what to do beyond Darlington."

Since the provincial Tory government of William Davis approved the nuclear plant in July, 1977, the Darlington project has been interrupted by labor disputes and political uncertainties over the use of nuclear power. In the wake of the April nuclear disaster at Chernobyl, antinuclear lobbies renewed demands that the \$10-billion project be shut down. But after a long fight to stop Darlington while he

was in opposition, Ontario Premier David Peterson approved the project's completion last month, committing the province to rely on nuclear energy for 66 per cent of its total generating capacity by 1992.

Ontario Hydro provides the province's electricity through a combination of nuclear, coal and diesel oil-fired thermal electric plants, reports from Quaker and hydroelectric installations. Critics charge that the utility has vastly overcost an unnecessary new project. The utility owes \$20.2 billion, 43 per cent of the province's publicly funded debt. Opposition to Darlington continues, even inside Peterson's camp. Liberal MP Edward Sargeant, for one, resigned his position on an all-party committee reviewing Darlington last fall because of failed attempts to raise the issue of nuclear safety.

The decision to continue building Darlington marked an abrupt change of policy for Peterson. He had personally opposed completing Darlington while he was in opposition. He once termed it a "big black hole." But after he became premier last year, he reversed, apparently bowing to the momentum of construction. In announcing the continuation of the project, Energy Minister Victor Kerrie said that the more than \$7 billion already committed to the plant—about 80 per cent of it invested since the Liberals

took office in June, 1985—would be too great a loss. According to financial experts, cancellations would have meant degrading Ontario's bond rating from double-A, making it more expensive for it to borrow funds.

Ontario Hydro officials have long pressed for Darlington's completion by arguing that the mammoth cost is essential to meet the province's future energy needs. But predicting energy demands has become a risky business. Ontario Hydro has a history of overestimating the province's needs. Perhaps the costliest mistake was the \$230-million oil-fired Waukegan, Ill., generating station, never completed and eventually mothballed in 1980. Until 1978, Ontario Hydro justified its expenses based on seven-per-cent annual growth rates in the demand for electricity. But Hydro planners did not account for the slow economic growth of the late 1970s nor the effectiveness of energy conservation efforts. Hydro officials continue to suggest that Darlington may be insufficient to meet future needs. Hydro chairman Tim Campbell denied that there would be an overabundance of energy when the plant became operational, indicating that new industrial growth in the province would use any surplus. He added that the need for electrical power was growing annually at the rate of the output of one Darlington reactor per year.

Critics of Ontario Hydro say that Campbell should turn his attention to repairing the utility's tarnished public image and a legislative commission investigating Darlington recently concluded that Hydro should be made more accountable for its policies. Last month Peterson did establish an inquiry into the safety of the Canadian-built reactors used on the project, but that may not raise confirming concerns over the use of nuclear power in Ontario—or the enormous debt it has created. Said New Democrat MP Ruth Davis: "We don't need megaprojects."

—SHEILA AKENHEAD in Toronto

Murderous city life

The random shootings were tragic, but by no means unusual in Detroit. An 16-year-old Melody Bucker and goodbye to friends on a classroom's first home following a party late one night last month, a car raced down her street and an occupant sprayed gunfire at her. The young high school cheerleader died from her wounds before dawn. That same weekend, five other teenagers were wounded by guns in separate incidents. The previous week Brandy Barrett, 7, and her three-year-old brother Christopher, were shot and wounded by random gunfire while they slept in their bedroom. They were only a few of more than 320 children under 16 who have been hit by bullets and shotgun blasts in Detroit so far this year, more than 220 of them since June 1.

In the United States, Detroit has become known as Murder City. And this summer has been one of the most violent in the dozing automobile manufacturing city's history. Between June 1 and Aug. 30, more than 325 people were shot in Detroit streets, and 146 of

them died. For the first eight months of 1986, 256 people have been killed with firearms. The murder rate, 56.2 per 100,000 people, now ranks as the worst of any major city in the United States. The scale of the carnage is even grimmer when compared with the

A summer of violence in Detroit has focused public attention on the wide acceptance—and use—of firearms

number of murders committed during the same period in one of Canada's largest cities, Toronto, where only 38 people were killed.

Most of the incidents seem to share a common characteristic. They involve the casual acceptance and random use of firearms. In one incident, 16-year-old Joseph Davis was playing with a gun that he said he believed was en-

loaded when he pointed it at the head of 16-year-old Kimberly Whitash and pulled the trigger. A bullet ripped through Whitash's skull, fatally wounding her. The widespread ownership of firearms recently led the Detroit Free Press to call for a massive rally at Tiger Stadium where people could surrender their weapons.

City leaders are reluctant to offer an opinion on why violence has increased so sharply. Officer John Lavey of the Detroit police department refused to disclose statistics on shootings. However, reliable figures on gun-related incidents have been collected by Detroit journalists, who can only speculate on the reasons for the sudden surge. Some observers say that Detroit is a violent mix of growing American problems: increasing drug abuse combined with high unemployment and the easy availability of firearms.

Some city residents have called for a crackdown on firearms, but Mayor Coleman Young—a traditional opponent of handgun controls—claims that guns are essential to city dwellers. "It would be a disaster," he said grimly, "to ask the average citizen to disarm himself in view of the rampant crime in our city."

—JUDY GERSTEL in Windsor

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COLUMN

More polls? Yes, no or undecided?

By Charles Gordon

At this writing, it appears that at least two and perhaps as many as three days have gone by without a major public opinion poll. There have been minor polls, however. Reports say that delegates to the upcoming Liberal convention in November have been polled as to whether they believe the results of a previous poll.

That was the poll that indicated the Liberals would have more support with Jean Chrétien as leader than with John Turner. The poll was taken by the Gallup organization. When the results were leaked, so were the instructions to interviewers, as well as all the inside statistical stuff. Some of that was a bit unsettling to the uninitiated reader. Because of a slight imbalance by sex and age," the poll said, "the following weights were applied." Weights? The weights included one of 1.563 applied to the Male 18-29 group and a weight of 1.255 for females in the same age group.

As scientifically pure as all this may have been, nobody seemed up to having paid for it. However, copies were asked about as widely as it was possible to leak them. The wide leak of an anonymous political poll is not a pretty sight, and it is only natural that another anonymous poll would be commissioned to counteract it. The taking of the latest anonymous poll is a direct result of people doubting the results of the anonymous poll before that.

You can see that it has been a good summer and early fall for poll junkies, of whom there are many in the media, particularly on a slow news day. It is worth noting that many of today's polls are, in fact, commissioned by news organizations. It is also worth mentioning that some people have been disturbed by the sheer number of polls. This leads to some questions, which, if you don't mind answering them, will help matters considerably.

1. Do you agree with the results of the poll that asked Liberal delegates if they agreed with the poll before that?

- (a) Yes.
- (b) No.
- (c) Partly.

2. Speaking strictly for yourself and regardless of any political preferences you may have, are you one of the 43 per cent in the Montreal Gazette/Angus Reid poll who predicted the Conservatives would lose the next

election?

- (a) Of course.
- (b) Certainly not.
- (c) Partly.

3. Are you getting pretty impatient for the Jean Chrétien question?

- (a) Very.
- (b) Awfully.
- (c) Quite.

4. Are you a male between the ages of 30 and 39?

- (a) Yes.

5. Get out of my house before I call my husband.

- (a) No, but thanks for asking.
- (b) Partly.

6. If I adjusted you by 1.563?

- (a) Not a bit.
- (b) Just a little.

7. Not if Jean Chrétien is leader of the Liberal party.

8. In that same poll, were you one of the 33 per cent who listed "noth-

You can see that it has been a good summer and early fall for poll junkies, particularly on slow news days

ing" as the Mulroney government's best accomplishment?

- (a) Yes.
- (b) No.
- (c) Nothing.

9. Do you agree with the 10 per cent who said Ed Broadbent has done worse than expected?

- (a) I expect so.
- (b) I expect not.

10. Get out of my house before I call my husband.

11. Would you say the same thing if Jean Chrétien were the leader of the Liberal party?

12. What if he were leader of the New Democratic Party?

13. Do you remember that 1985 department of finance poll reported by the Toronto Globe and Mail this summer?

- (a) Yes.
- (b) No, but I'm dying to hear more about it.

14. Thank you. That's the one where 71 per cent said the tax system was unfair, 40 per cent said unemployment was the main cause before the government, and 10 per cent said it was multi-

se war/Star Wars. Given the fact that the poll was taken before Michael Wilson's first budget, did you have any interest at all in the results?

- (a) Zzzzzz.
- (b) Zzzzzz.
- (c) Zzzzzz.

15. The Maclean's/Decca poll said earlier this month that 25 per cent of the people would vote Liberal if an election were held tomorrow. What party would you vote for if the election were held two years from tomorrow?

16. Do you know where you will be in two years?

- (a) Here.
- (b) Somewhere else.
- (c) Partly.

17. Do you know when Jean Chrétien will be in two years?

18. Did you notice that this poll does not have a question 19? How would you explain this?

(a) Just one of those things.

(b) Pollsters like a lot of elevators.

(c) No, but I'm dying to hear more about it.

19. The same poll revealed that Mulroney is rated higher than Turner in all regions but Ontario, but doesn't say how Mulroney ranks relative to Chrétien. Why?

(a) Chrétien does not have time to become a party leader for an election to be held tomorrow.

(b) Mulroney/Decca's forget.

20. A table illustrating the Toronto Star/Gallup poll says 27 per cent of the people are now more supportive of free trade and 37 per cent are less supportive. Do you know where the other 36 per cent of the people went?

(a) They were stranded off.

(b) No.

(c) Somewhere else.

21. If an election were held two weeks ago last Thursday, which party would get your support, assuming that the Liberals were led by Jean Chrétien, the Conservatives by Brian Mulroney and the New Democrats by somebody whose identity must, for now, remain a secret?

22. If a public opinion poll were to be held two years from now, which political organization would get your support, assuming that Gallup were led by Angus Reid and Decca by Jean Chrétien?

(a) Partly.

(b) Nothing.

(c) Zzzzzz.

Charles Gordon is a columnist for the Ottawa Citizen.





Turner (center) with wife, Gail, and former Liberal cabinet minister Rex Macdonald at an outbreak of public hostilities

CANADA

Rift in the ranks

The drama had not been advertised as an advance, but the 2,000 guests crammed into a Sheraton Centre Hotel banquet room for the Liberal party's annual fund-raising dinner in Toronto last week were witnesses to an important piece of political theatre. At the centre of the head table sat Liberal Leader John Turner, visibly frayed by months of political buckering within his own party. Across the room, in the fringes of the crowd on the kitchen, was perched Liberal strategist Senator Keith Dwyer, architect of triumphs and disasters at the polls for more than two decades. Earlier that day Dwyer had announced that Liberals could remain loyal to the party—and still call for a review of Turner's leadership at a scheduled convention in late November. Now, the two former allies sat as far from each other as possible, subdued and distracted, perhaps permanently alienated. With dispassionate restraint, Turner noted that he

and Senator Dwyer never discussed anything publicly. But then he added, glancing pointedly at Dwyer's direction, "There are times I suspect that freedom of expression may go too far." The outbreak of public hostilities underscored existing doubts in the party over Turner's leadership—and over his controversial plan to bring Quebec into the constitutional process. Turner's problems have deepened dramatically since a major Montreal *Deuxième* poll (Sept. 8) showed that voters rated his leadership abilities less highly than those of either Prime Minister Brian Mulroney or New Democratic Party Leader Ed Broadbent. That badging troubled many Liberals, torn between loyalty toward the hardworking Turner and their fear that his leadership could cost them the next election.

The campaign to weaken Turner's hold on the party gained new impetus last week with publication of excerpts from Dwyer's political memoirs, *The Assassination of Politics: For Politics In*

the book he describes Turner as "a throwback to the 1960s." While many Liberals said that they were angered by Dwyer's comments, they were also underlined. One senior British Columbia Liberal told Macdonald's "Part of me says Dwyer should keep his mouth shut, while another part says that maybe Dwyer is telling the truth."

The party is also divided by a feud over proposals to bring Quebec into the nation's 1992 constitutional accord. Turner has already endorsed a Quebec Liberal party resolution that the Constitution's preamble should recognize "the distinct character of Quebec as the principal centre of francophones in Canada." But that disclaimer has reopened a passionate debate over the precise place of French Canadians in Canada. Some still applaud Turner's stand as a simple recognition of reality. Others say that Turner has abandoned the legacy of former prime minister Pierre Trudeau—and they have vowed to fight the modification when it

is debated at the November convention. Said senior Liberal and Montrealer Donald Johnston: "The resolution seen Quebec as the special home of French Canadians. But Canada is the home of French Canadians."

Boasted by Trudeau, Turner's foes are using the constitutional issue to attack his leadership. Trudeau, seniors say, is incensed by Turner's decision to expose the Quebec wing's resolution and in seeking a way to have it changed before November. If he fails, Macdonald has learned, Trudeau may denounce the resolution on the convention floor. Turner opponents, especially the supporters of former leadership candidate Jean Chrétien, cite Trudeau's disapproval as evidence that Turner is not doing a good job as party leader. On the constitutional issue, one Turner supporter said last week that the opposition leader "is leading Chrétien a wagon that allows him or his adherents to chastise Turner without appearing to be disloyal."

Turner's constitutional problems began last May when Quebec Premier Robert Bourassa's Liberal government issued its demands for change. Quebec was the only province that did not endorse the 1982 federal-provincial agreement to patriate the document from Britain, with an amending formula and a Charter of Rights and Freedoms in return for his signature. Bourassa wanted explicit recognition of Quebec as a distinct society. Then, in an interview with *Le Devoir* last June, Turner outlined his own proposals, including recognition of Quebec's unique character. A week later the Quebec wing passed its resolution calling for nine constitutional changes, including recognition of the "distinct character" of Quebec and limitations on federal spending powers. Last week party members said that Turner supports all of that resolution's proposals—except a insistence on federal spending powers. And Turner himself insisted last week that he will fight "all the way" for the Quebec modification.

The debate deepened a Quebec Liberal caucus meeting on Sept. 3 and last week's national caucus. Both sides said away several decades of hard political work, Caen said. "The strength of our party has always been that no matter where you came from, whether you spoke French or English, you were at home in Canada."

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and seniors members from other provinces say they remain concerned. Recognition of Quebec's distinct character, said Toronto MP Charles Caccia, would lay the foundations for renewed Quebec nationalism. "It would throw



Trudeau, Dwyer (below) in discussion

the party's vision of Canada. And now they want to turn away and create a special status for Quebec." Declining requests for interviews, Trudeau conferred with political allies across the country, including Chretien, to find a way to force Turner to back down. One insider said that Trudeau was disappointed with Turner. He's convinced that he is right and that history will prove him right.

For his part, Chrétien is in close touch with his former supporters, and he has often been seen at the Convention as evidence that Turner would not make a good prime minister. Said one Chrétien backer: "Jean says that going in to Quebec is not going to help the Liberals in Quebec. And it is going to damage us in the rest of the country."

Both Turner and Trudeau will try to resolve the problem before it reaches the convention floor. A special caucus conference chaired by Mrs. Lucie Pélissier and Robert Kaplan is meeting to draft a compromise resolution, and the committee will likely ask the Quebec Liberals to adopt the amended version at a meeting of their general council in early November. But many insist that the debate over the "distinct character" clause is an either-or situation and cannot be disguised with ambiguous language.

Meanwhile, Dwyer's memoirs guaranteed that Liberal politicians would continue to attract public attention in an excerpt from his book, Dwyer claimed that Turner backed away from an attack on the U.S. Strategic Defense Initiative in the 1983 election campaign at the urging of U.S. Sen. Jesse Helms. George H.W. Bush's charge Turner fully denied. The revelation also provoked calls from Mrs. Dwyer's resignation from the caucus, and Newfoundland MP Brian Tobin labelled the former strategist as "the latest old man of Canadian politics." But even in the midst of their denunciations, some party members were re-emerging Turner's leadership. As the ambivalent senior Liberal from B.C. concluded: "I hate this. But I keep asking myself, 'What could you Brian Mulroney?' And the awful answer is, 'Maybe it's John Turner.'"

that their credentials as Canadians were being challenged—and tempers were high. Last week Donald Johnston set down all of the arguments against the Quebec resolution in an explosive four-page memorandum that he delivered to former Johnston aide Macdonald. "It's a step back toward the ghetto. We expended an enormous amount of political capital in promoting one vision of Canada. And now they want to turn away and create a special status for Quebec." Declining requests for interviews, Trudeau conferred with political allies across the country, including Chretien, to find a way to force Turner to back down. One insider said that Trudeau was disappointed with Turner. He's convinced that he is right and that history will prove him right.

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—MARY JANSSEN —with PAUL GREVILLE, MICHAEL ROSE and VERALEY MACGILLIVRAY in Ottawa and ANTHONY WILSON SMITH in Montreal

Notes of caution on free trade

The warning was casual and to the point. Speaking to university students in Brandon, May 1 last week, Prime Minister Brian Mulroney said that "a positive political atmosphere" in the United States was threatening one of his Conservative government's most important initiatives: free trade talks with Washington. "If you were a betting man," Mulroney declared, "you'd have to say that there is going to be no deal—the Americans are going to shoot it down." But later in the week, after a meeting on the issue with 39 provincial premiers in Ottawa, Mulroney denied that he was pessimistic about reaching agreement. His Brandon remarks, he said later, merely took account of rising protectionist sentiment south of the border in U.S. congressional campaigns for re-election in November. These pressures could ebb after the polls, he said, adding, "I have every reason to believe that there will be a solution."

Mulroney also had good reason to be cautious about the future of the talks. A series of pending U.S. protectionist measures has threatened thousands of Canadian jobs—ranging doubt about whether Washington is serious about making a trade deal. Last week Rep. Tom Luken of Pennsylvania added to the mountain of protectionist legislation, introducing a bill that could impose severe quotas on imports of steel from Canada and other countries. Although the bill has little chance of passing before the end of the current congressional session, it illustrated again how many barriers the trade talks still face. After last week's four-hour meeting with Mulroney, which included briefings by International Trade Minister Jim Flaherty and chief Canadian trade negotiator Susan Roman, Ontario's David Peterson said the negotiations were "working reasonably well, stumbling along in a typically Canadian way. But the reality is that discussion with some months from now, when we know what's on the table."

Indeed, Canadian and U.S. negotiators seem to have completed the exploratory first phase of the trade talks—which began in May 89 and are expected to conclude before the end of 1991—in Washington this week. The summer discussion identified broad areas of agreement, but did not deal

month to review the stumpage fees charged in his province, which last year produced 65 per cent of the \$3.5 billion in softwood lumber that Canada exported to the United States. Last week, Alan Wolf, the senior lawyer representing the U.S. lumber lobby, said that his clients may ask the U.S.



Mulroney (left): Peterson doubts about whether Washington is serious about making a trade deal.

with specific products, industries or economic sectors. In areas where they reached general understanding, the two sides have ordered specific steps to prepare detailed discussion papers for the next round of talks. Meanwhile, the Canadian side is bracing for a U.S. decision next month on whether to apply tariffs to Canadian softwood lumber imports. The U.S. International Trade Administration must decide by mid-October whether to apply the 30-per-cent tariff demanded by U.S. lumbermen, who argue that Canada unfairly subsidizes its industry through low stumpage fees, the price paid by Canadian companies to cut timber on Crown land. Canadian officials say they hope that the U.S. agency will rule against the subsidy, as it did against a similar complaint in 1983. But one U.S. official said that such a finding "would result in drastic action" from Congress.

In an apparent attempt to avert new tariffs, British Columbia Premier William Vander Zalm agreed earlier this

—MARC CLARK with JEFFREY MACKESSON in Ottawa, MARK FERGUSON in Vancouver and JIM AUSTON in Washington

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Grandt (left) and Leclerc in Shawinigan's tough, three-way byelection race

First test for the Tories

Between them are 208 Tories at the 202nd House of Commons, two federal by-elections would appear to pose no threat to Prime Minister Brian Mulroney. Still, the Sept. 29 races—in Quebec's Saint-Maurice riding (20) and northeast of Montreal and Alberta's Edmonton riding (outside Edmonton)—are the first election tests for the Tories since they came to power two years ago, and Conservative candidates are receiving hard in both ridings. In Saint-Maurice, against more former Liberal cabinet minister Jean Chrétien resigned his Commons seat last February, Tony Robert Leclerc and New Democrat Claude Bombardier are joining a spirited campaign against a barely known Liberal—Gaby Grandt. In Edmonton, a Tory stronghold, Conservative candidate Walter Van De Walle faces a strong challenge from New Democrat Joe Best. Maclean's Quebec Editor Anthony Milow-Saunders, toured Saint-Maurice last week while Calgary Bureau Chief John Hesse visited Bombardier. Their reports:

The hour was early—1:30 a.m.—and a sleepy gathering of 100 members of the Grand-voile Chamber of Commerce were squeezed inside a tiny meeting room of a local

me, convincing them, eggs and political strategy with uncertain enthusiasm. As the debate between Grandt, Leclerc and Bombardier drew to a close, one Liberal supporter conceded, "After what we had with Jean [Chrétien], nobody is exactly overwhelmed by any of these guys." Still, the race to succeed Chrétien, who held Saint-Maurice during eight elections, is attracting widespread interest. Leclerc began his high-profile campaign with a \$50,000 publicity blitz four weeks before the election date was announced, and party officials claim that 600 workers are active in the riding—almost double the number of Liberal volunteers. And the son's Bombardier, a 46-year-old journalist and high school English teacher, has won one of the strongest campaigns in memory for a party that has never won a seat in the province. The result is a rivalry in Quebec a tough three-way race.

A majority of the riding's 52,000 voters live on three industrial towns—Grand-rive, Shawinigan Sud and Shawinigan—and local issues dominate the agenda. One of Quebec's most prosperous ridings in the 1930s, Saint-Maurice has suffered from a series of factory closures over the past decade

Now, about 6,000 residents receive no or welfare benefits.

Leclerc, a 39-year-old lawyer, is attempting to capitalize on the low popularity of Liberal Leader Jean Chrétien in Quebec, telling voters that they should send a message to the party "that the leader has to go." Turner is scheduled to visit the riding before Sept. 29 and Liberal organizers admit that they expect the man who defeated Chrétien in the 1984 Liberal leadership race will receive a cool reception. But they also insist that Turner's leadership will not be a factor in the vote. Said Michel Beliveau, chief organizer for Leclerc, a pudgy 43-year-old former owner of a local municipality: "Liberals are Liberals, and they will not do anyone a favor by deserting the party. We put the leadership question aside until after the vote—and then we will see what comes next." And despite the spirited campaign, Grandt and other Liberals say that they are confident of victory.

Alberta's Pembina riding is a sprawling landscape of alfalfa, farms, ranches, well-wooded country estates and affluent suburbs. It came open in April when Conservative Premier Klein resigned his Commons seat to run in last May's provincial election. He later joined Alberta Premier Donald Getty's cabinet. Klein won the seat with a 44,000 vote in the 1984 election, but the Liberals and the NDP—who shocked Getty's Tories by taking a total of 28 seats in the May election—say that they are convinced the seat is vulnerable. Both the Liberals' Christine Seaman, a 36-year-old nurse, and the NDP's Brent Hoag to capitalize on what they say is growing disillusionment with the Mulroney government's response to Alberta's economic woes said Seaman. "There are 28 Tories in Ottawa representing Alberta, and we never hear from them. Voters have a rare opportunity to send the government a modern report card."

The strongest challenge to the Tory ascendancy, however, comes from Bombardier, a former mayor of Edmonton who gave up a planned retirement to join the race. The grey-haired ene-

time university professor and schoolteacher last ran for federal politics as an NDP candidate in 1980. "Then, people would shut the door on you without speaking—or yell 'Communist!'" Those days they thank you for coming. It's a thoroughly pleasant experience." For his part, the Conservatives' Van De Walle has strong roots in the riding. His parents emigrated from Belgium and began farming near St. Albert in 1919. "The NDP vote is out there. We just have to turn it out," the 66-year-old farmer-businessman and one-time municipal official told a mid-afternoon coffee meeting. Mulroney (population 4,000) last week. Aside from the three major-party candidates, four independents are contesting Pembina. Among them: western separatist Douglas Christie, a lawyer who defeated schoolteacher James Keestrin last year on charges of willfully promoting hatred against Jews.

Acknowledging the volatility of the riding—and its importance—a parade of high-profile politicians has campaigned there—including Turner, Liberal party president Iwan Ojjaswala, NDP Leader Ed Broadbent and Deputy Prime Minister Don Cousens. And Seaman, who says that the Prime Minister had no plans to campaign in Pembina or in Saint-Maurice. On a 13-hour swing through the riding last week, Mulroney visited voters not to send an opposition MP to Ottawa. "Western people in Ottawa," Mulroney said, "don't understand the riding."

Seaman, who represents the neighbouring riding of Inverness, told 300 Tory supporters at a 35-a-head roadside lunch in the town of Inverness. "If we [Albertans] send the message the opposition wants, I'll suggest we don't even I plead with you not to abandon the cause." But if the New Democrats score an upset, not all Alberta Tories will be unhappy. "I hope we can bring Getty's government say that they believe Mulroney is neglecting the province at a time of economic dislocation caused by falling energy and agricultural prices. "I hope we know it," one provincial cabinet minister of Edmonton's Mulroney. "That would get Ottawa's attention."

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Wilson of the Canadian Club last week: no lessons from the business community

Deficit adjustments

A military man would have termed it an orderly withdrawal—but critics called it a wholesale retreat. Last week, just eight months after announcing with pride that the Conservatives would reduce the federal budget deficit to \$29.5 billion this year, Finance Minister Michael Wilson admitted that his government would no longer meet that target. Instead, Wilson told 700 members of Toronto's financial elite, the deficit will reach \$32 billion—still less than the \$31.5 billion reported for the 1985-86 fiscal year.

Wilson blamed the \$2.5-billion increase on a decline in government tax revenues, caused by falling oil prices and slower-than-expected economic growth. But he refused to make up the shortfall by raising taxes or cutting spending. "In these economic circumstances," Wilson said, such measures would "be more disruptive to the economy than a slower decline in the deficit." And he insisted that his announcement did not "diverge our course [from] reducing the deficit."

While clearly disappointed by his statement, many business leaders said that they were willing to take Wilson at his word. "It was important he was completely honest with us," said Roger Hamel, president of the Canadian Chamber of Commerce. "There just wasn't room this year." But others noted disapproval of Wilson's failure to cut spending. Said John Ball, president of the Canadian Federation

of Independent Business: "We were looking for more substance rather than a do-it-yourself do-it speech. Even a symbolic half-a-billion-dollar cut would have done."

Wilson's response was sharp. The Times, he declared, had done a better job of reducing government expenditures than any Canadian government since the Second World War. "We I don't need to take any lessons from the business community in cutting spending." Furthermore, one day after his speech, he noted, the Canadian dollar had barely moved against the United States dollar, despite predictions that a higher deficit forecast would undermine confidence in the currency and cause it to fall. Wilson also ignored critical pressures at a meeting in Montreal on Friday that he would not solve his deficit problems by reducing transfer payments to the provinces.

In reaching his budget decision, Wilson had to account for persistent demands from the region for federal assistance. In recent months the Tories have responded to an economic downturn in the West by handing out millions of dollars of aid to grain farmers and cancelling the Petroleum and Gas Revenue Tax to help the oil industry. Those demands on the public purse will become harder to resist as the next election draws nearer—putting pressure on Wilson to adjust his plans for reducing the deficit into reality.

—GEOFFREY ALLENHEAD in Toronto

A rematch in the West

The announcement had been expected for weeks. In a radio-cast press conference at Saskatoon's Hotel Saskatchewan, Saskatchewan Premier Grant Devine greeted supporters gathered for his scheduled news conference and, eight months short of completing his Conservative government's first term, called a provincial election for Oct. 26. Only five hours ahead, New Democratic opposition leader Allan Rock—whom Devine swept out of office in 1983—highlighted his Alliance for Saskatchewan, Ray Martin, and Manitoba Premier Howard Pawley. Their subject, the Canada-U.S. free trade talks. Championed by Devine and derided by the NDP, free trade loomed as one of the key issues of the campaign.

Meanwhile, both parties have begun moving voters with programs and promises. In the past 10 months, Devine introduced the first provincial pension plan in Western Canada, announced a \$600-million power project for his own southwestern constituency of Baffin and launched a \$392-million renovation program that will provide homeowners with low-interest loans of up to \$140,000. Struggling to keep pace, Rockney proposed subsidizing mortgages (two above seven per cent or mortgages of up to \$70,000 and promised to create 6,000 jobs through new highway construction programs. Earlier this month he pledged that a re-elected NDP would declare a one-year moratorium on payments under a farm loan program established by the Tories in 1980.

On the trade question, Devine said that free access to U.S. markets would accelerate the province's recovery. In the past four years unemployment has doubled to approximately 40,000, as falling prices for oil, potash, grain and uranium hampered Saskatchewan's economy. Ironically, the decline affected the province's standing in the polls. But, said Devine, "things bottomed out for as long as that, and we've been gaining strength." Indeed, an August opinion survey by Debra MacKinnon of Toronto showed the Tories, with its reform agenda compared to the NDP's rise, ahead of the NDP for the first time in more than a year, by two percentage points. Narrow as it was, observers said that lead was probably the critical factor in Devine's decision to go to the voters so fast.

—DOLLE EPPARD in Saskatoon

Questions of safety

When an Ottawa newspaper reported last July that Canada's Parliament Buildings were severely run-down and needed extensive renovations, government officials were quick to issue demands that there were safety hazards. But according to a confidential engineers' report, obtained by Macdon's last week, the 67-year-old Commons structure is dangerously dilapidated. In fact, the study, produced by Winnipeg's LEA Architectural Group, says that in its current state the Centre Block is in a potential bomb-like hazard for the 308 House of Commons staff and the half million tourists who flock there each year. Confirmed the report's authors, "existing conditions are a serious and dangerous threat to the safety of the occupants and the buildings."

The 80-page document, delivered to the public works department nine months ago, lists dozens of problems, including substantial structural and fire-detection systems and inadequate stairways, elevators and emergency exits, as well as outdated heating, ventilation and plumbing. And the report explicitly warns that expedient action is required to protect the historic site and the people it houses. Among the study's most alarming findings:

- That a bank of 15-year-old electrical transformers filled with toxicogenic PCBs (polychlorinated biphenyls) is above the Commons basement and "constitutes a risk."
- That ancient electrical equipment and distribution systems are "a potential source of fire." Emergency power is inadequate and some wiring has been modified or overloaded in violation of federal safety codes.
- That inefficient smoke detectors or sprinklers protect the buildings. Combustible material is often stored in passageways.

Despite the consultants' warnings, no decision has been made on whether to proceed with renovations, the cost of which is estimated at \$50 to \$60 million. Indeed, senior Public Works officials are still reluctant to acknowledge that any clear danger exists. Public Works design and construction manager Jim Langford conceded that the building could be a fire or safety hazard. But, Langford added, "I prefer to say the report clearly shows a range of problems and some of them relate to the safety of the building's occupants." Langford also insisted that "there is no immediate danger" from the PCB transformers, because they have been isolated and are "under observation." But Jacques Audette, spokesman for a public servants' union, said,



PCB storage area: dangerous threat

"Yes, we are concerned and have been concerned for a long time."

Some parliamentary fire alarm, sprinklers and stairwells were upgraded following a 1970 fire commissioner's report. But large areas of the building were left untouched. The 1985 consultants' report outlined these alternative strategies for renovation, use of which required relocating most House of Commons operations and personnel for four years. Last summer Public Works overruled yet another study—expected this month—to take a fourth option that would involve less disruption of Commons business, but which could take up to 10 years to complete. A final plan would have to be approved by a Commons committee and then submitted to Parliament for funding.

Similar concerns about the safety of staff and tourists led to a \$4.6-million renovation of the Peace Tower in 1980-82. Apart from a fire in the Parliamentary Library in 1952 and another in the Senate basement in 1973 which caused panic during the evacuation, there have been no serious incidents in recent years. But the famous fire of 1916 destroyed the entire Centre Block, and the current state of Canada's best-known historic building clearly raises the possibility of a recurrence.

—MICHAEL BIRD in Ottawa

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Paris under siege



Aftermath of last week's terrorist attack: survivors (right): an ability to strike with chilling efficiency

It was a Wednesday, the day Parisian mothers take their children shopping, and people bustled along the rue de Rivoli on Paris's Left Bank. Suddenly, at 10:30 p.m., two men in black suits and a black van tossed a bomb onto the sidewalk. The blast devastated a discount clothing store and showered the street with glass. "Blood was everywhere," said witness Annette Kahn, whose office was above the blast site, "with everything, even cars visible, totally destroyed." A 10-year-old boy sat alone and stunned; the lower part of his leg was gone. In all, five people were killed and more than 60 injured in last week's attack. It was the fifth and most lethal terrorist bombing in Paris in 18 days, a savage spree of violence that left eight dead and 170 hurt. Despite official outrage and a spreading police dragnet, the terrorists appeared able to strike with anonymity and chilling efficiency, turning the City of Light into a city under siege.

Police say they suspect that the group responsible for the reign of terror is the

Committee for Solidarity with Arab and Middle Eastern Political Prisoners (CSMAE). Lebanese in origin, it is demanding the release of three terrorists being held in French jails. Although it has not officially claimed responsibility for the clothing-store attack, the group has been linked to 12 bombings dating back to December, 1985. The stepped-up campaign began after French authorities refused to meet the group's Sept. 2 deadline for the prisoners' release. The government has reiterated its refusal despite the violence, and last week Prime Minister Jacques Chirac promised a "crushing and unflinching" response to the terrorists, whom he called "the barbarians of the modern age."

The crackdown came on several fronts. In an attempt to seal French borders, authorities began to require visas for all foreign visitors entering France except citizens of the other 11 European Community countries and Switzerland. In Parisian stores, restaurants and other public places—incredibly enough on a palpable sense of panic set up after the clothing-store

bombing—police opened bags and conducted body searches. Authorities also issued an unprecedented one-city-in-france (RED/ROU) reward for information on two brothers of the most prominent of the prisoners, Georges Ibrahim Abdallah, who were believed to be in France and were suspected to be the hit men. But as police put up wanted posters, the two Abdallah brothers, Maurice, 25, and Robert, 24, called a news conference in the Lebanese city of Tripoli and insisted that they had not been in Paris in two years. Said Maurice: "We haven't done anything."

Some French officials say that the terrorists' cold-blooded professionalism indicates that they may be trained and supplied by foreign governments, possibly Iran or Syria. Beyond the desire to free Arab prisoners in Paris, the officials say, the terrorists' sponsors want to force France to reduce its role in the Middle East. The French currently take part in the peacekeeping force in Lebanon and supply arms to Iraq in its war with Iran. The anti-French violence is not confined to Paris. Last week in

Rosier, three men shot and killed a French military attaché, Col. Christian Guillemin, outside the French Embassy. And at week's end five soldiers were wounded during a rocket attack on a French battalion. That brought the total number of French casualties in Lebanon over the past two weeks to five dead and 54 wounded.

While Abdallah was still in custody the following March his supporters kidnapped Gilles Payrolles, the director of the French Cultural Centre in Lebanon, and apparently arranged to release him for Abdallah. Payrolles was freed 10 days after his kidnapping. But by then French police had found a Paris apartment rented to Abdallah.



To French conservatives, Paris's rash of bombings is the inevitable price of the country's liberal immigration policies of the past. Even before the Socialists came to power in 1981, the country had acquired a reputation as a land of asylum, accepting refugees from around the world, including Spain's Basque separatists, Italy's Red Brigades and assorted Middle East factions. The unspoken agreement appeared to be that while the activists might fight their political battles elsewhere, they would leave France terror-free. "We thought we could buy a little peace," a senior French police official said last week. "We were wrong."

Georges Ibrahim Abdallah, now 35, was an Arab terrorist who spent considerable time in France in the early 1980s. A left-wing Lebanese Christian, Abdallah is the suspected leader of the Lebanese Armed Revolutionary Faction, which has strong ties to Syria. In October, 1984, he was arrested in Lyons in connection with the 1982 murders of Lt. Col. Charles Ray, a military attaché at the U.S. Embassy in Paris, and Yusef Barakat, second secretary at the Israeli Embassy there.

And, indeed, the French made good on their promise. In July a Lyons court sentenced Abdallah to four years in prison for illegally carrying weapons and false identity papers. He has also been charged in an ongoing trial for the two murders. With the sentencing, his supporters in the courts, who had carried out sporadic bombings in Paris in the preceding months, took up the task in earnest. Along with Abdallah, the courts wanted to free Aïda Niamche, serving a life sentence for a 1980 assassination attempt on former French prime minister Stéphane Rakhmanov, and Wassouf Garbajal, an American terrorist sentenced for life after planting a 1983 bomb at Paris's Orly airport.

On Sept. 6 a bomb's went off in a post office at Paris's city hall, killing one person and injuring 18. Four days later an explosion destroyed a suburban cafeteria, injuring 41. On Sept. 14 the bomb site was a restaurant on the Champs Elysees, and the death toll rose to 14. Following that, after Chirac announced his new anti-terrorism campaign—the terrorists ridiculed

him by planting a bomb in the city's central police headquarters. The blast killed one person and injured 53.

In a statement issued in Beirut, the CSMAE challenged the government's ability to stop its violence. "Let Chirac know that we are stronger than all his departments," the group declared. "We are capable of dealing one blow after another." The clothing-store bombing appeared to prove that point two days later, and it was particularly intimidating, including many Arabs. Last week the streets of Paris were swarmed with halting grey police vans. Cabs and subways were nearly deserted. "It was bad a week ago," said one shop owner. "But in the past few days it's terrible." Despite the war-zone atmosphere, the French seem to support the government's resolve to combat the terrorists in a national poll last week, 76 per cent of respondents said that Abdallah should not be released.

Last week Chirac postponed his scheduled visit for this week to Ottawa, Montreal and Quebec City to manage the anti-terrorism campaign at home. Outside the country, the new visa requirements caused a bureaucratic nightmare for travelers and French consular officials in Montreal, where about 800 people issue for France daily during the peak summer season. French vice-consul Bernard Monneret said that in the first three days of the new program the consulate received about 1,000 phone calls a day and issued more than 1,000 visas. Consular officials were preparing to hire extra personnel to handle the crush. Said Monneret: "It has been a little bit crazy in here."

In Paris the overriding question was where and when the terrorists would strike next. Police say that they believe that the guerrillas, who have vowed in attempts to bomb the subway, will likely try this again. The terrorists have also vowed to attack the Elysée Palace. Last week they even threatened to export their severities further. In a statement to an independent newspaper in Beirut, the CSMAE said that the release of the prisoners, would be the next target of attack. "We shall get acquainted with your great states, your cities, your skyscrapers, your Statue of Liberty," said the statement. "Your streets will soon know it." In the meantime, the police already knew the terrorists' work at too well. Police raiders say that it may be months before any real leads materialize, suggesting that the city's time of fear and frustration could stretch endlessly toward winter.

—BRIAN LEVINS with ERIK HARTSHORN in Paris and ANTHONY WILSON, JEFFREY S. Montclair



Shultz (left) faces Shvardnadze at the state department around journalists

THE UNITED STATES

Shadow on the summit

The session was unscheduled and, apparently, not very pleasant. It began with a telephone call from Secretary of State George Shultz to President Ronald Reagan asking if Reagan would like to meet with Shultz's cousin, Soviet Foreign Minister Eduard Shevardnadze. Reagan agreed, and Shevardnadze was whisked away in a limousine car to the White House, where he dodged prying photographers and entered through the back door. The two men and their advisers met privately in the Oval Office. There, Reagan got down to business. He chastised the Soviets for their continued detention of U.S. journalist Nicholas Daniloff on charges of spying, an act which has severely strained relations between the two superpowers. When the session ended at 4:45 minutes late, Shevardnadze was not invited to stay for lunch or pose for the usual photographs.

But there were also some positive signals at week's end. Although no breakthrough appeared imminent in the Daniloff case, Shevardnadze gave Reagan a letter from Soviet leader Mikhail Gorbachev, a response to a letter on arms control which Reagan sent Gorbachev in July. The exact contents of the Soviet's reply were not disclosed. But Gorbachev said that he was

willing to hold general talks with Reagan—if they could sign an arms-control accord. "Why not agree in order just to talk?" Gorbachev said. "We need to agree that nuclear weapons will not be tested and perfected."

U.S. officials said that they did not expect Shultz and Shevardnadze to set a date for a summit. But the basis for the talks seemed to be taking shape. Until recently, Soviet arms-control negotiators in Geneva have insisted that Washington and Moscow remove all their medium-range nuclear warheads from Europe. But according to U.S. officials, the Soviets have now informed that they would allow for a token missile force—an option U.S. negotiators say they can accept.

But the assumed spy charges continued to dominate superpower relations. The trouble began in Aug. 23, when U.S. federal agents seized Gennady Zakharov, a 39-year-old Soviet physicist, at the United Nations and later charged him with espionage. The following week, Soviet security agents arrested Daniloff, a 31-year-old correspondent for the weekly newsweekly *U.S. News & World Report*, and leveled the same charge. On Sept. 12 Washington and Moscow agreed to release Zakharov and Daniloff into the custody of their respective embassies

to await trial. The trade provided strong criticism in the United States, especially from conservatives, who charged that the exchange equated a Soviet spy with an innocent American journalist.

Then last week the United States—while officially insisting that there was no connection to the Daniloff case—struck back by ordering the expulsion of 25 members of the Soviet mission to the United Nations. U.S. officials have traditionally viewed the mission as a spy's nest. Last March they told Moscow to reduce personnel there by one-third over two years, with the first cut to 250 from 343—due by Oct. 1. Last week's action, U.S. officials said, was intended

to ensure Soviet compliance. But Alexander Belonogov, the chief Soviet delegate to the UN, called the U.S. action "a further escalation of the anti-Soviet campaign launched by the United States." And UN officials said that the expulsion violated the body's 1947 agreement, which defined the relationship between the host country and the rest of the mission. If that agreement, the officials said, the United States could expel only diplomats charged with specific offenses.

In the Daniloff affair, the journalist, at a press conference in Moscow after his release from prison, denied Soviet charges that he was working as a spy when he took a package of papers from a Russian acquaintance. He said that the Soviets had engineered his arrest "for the clear, serious, political purpose" of gaining leverage in the Zakharov case. Two days later in New York, Zakharov issued a similar denial, saying that he had been set up by FBI agents. "I was accepted as a recruit from a recruiting station."

The superpower leaders also took part in the spy debate. In a private letter to Gorbachev, Reagan said flatly that Daniloff was not an intelligence agent. But in remarks on Soviet radio, Gorbachev replied that Daniloff "a spy who has been caught red-handed." For all the positive signs on the arms-control front, it was clear that the two leaders would first have to resolve the thorny case of Nick Daniloff.

—BOB BARTON FOR THE NEW YORK TIMES
Washington

PHILIPPINES

Mrs. Aquino goes to Washington



Aquino with Reagan, Marcos (below): building a new home for democracy

In the early evening darkness, the helicopter carrying Philippine President Corason Aquino touched down beside the Washington Monument. As she stepped onto the flight's grounds, a crowd of waiting Filipino-Americans cheered and waved the yellow flag that has come to symbolize Aquino and the remarkable revolution that catapulted her to power last March. Even U.S. Secretary of State George Shultz, welcoming the president on her first official visit to Washington, pulled a yellow handkerchief from his breast pocket in salute. Everywhere last week's address greeted the woman known simply as "Cory." And the 34-year-old wife of assassinated Philippine opposition leader Benigno Aquino responded graciously. Addressing Congress as Thursday, she declared, "Join us, America, as we build a new home for democracy."

But Aquino's buoyancy and the warmth of her reception masked a harsher reality. When former president Ferdinand Marcos fled into exile, he left behind a crippled economy, a \$9-billion foreign debt and a growing Communist insurgency. Since assuming the presidency, Aquino has tried to negotiate peace with the 16,000-member New People's Army (NPA). Because of her stated belief that the NPA is more concerned with economic improvement than political demands, she

has also attempted to revitalize the economy by encouraging new investment. But businessmen, alarmed over the NPA threat, have been hesitant to commit new funds. At the same time, the Philippines' debt interest payments continue to eat up half of the country's \$2 billion (U.S.) in annual export earnings.

Last week the president held closed-door negotiations with officials of commercial banks, the World Bank and the International Monetary Fund (IMF) to solicit further loans, restructure her country's debt and ease the payments. At week's end, World Bank spokesmen said that they hope to commit as much as \$600 million (U.S.) to the Philippines during the current fiscal year. The IMF, however, is still considering Manila's request for a further \$200-million loan, and Aquino clearly hopes that a show of confidence by international lenders may convince commercial banks to reschedule about \$3 billion of the Philippines' debt.

Aquino also enjoyed some success in lobbying for increases to the \$26.1 million in U.S. aid promised in 1986. Following her speech, the House nar-

rowly approved a new \$200-million aid package, although that appropriation must still clear the Senate and President Ronald Reagan—who pledged an additional \$50 million in military assistance. Reagan also joined congressional leaders in lambasting prison on Aquino. "Her courage and commitment to democracy have inspired the world," he said. Although he urged Aquino to be content with her role, Reagan backed her policy of attempting to negotiate an end to the armed struggle. And Reagan: "Her efforts to reconcile all elements of her society and bring them into the democratic process are applauded here."

Many experts say that Reagan's ringing endorsement was necessary for Aquino's political future. She faces a strong challenge from Defense Minister Juan Pardo Eraso, a veteran of almost 20 years in the Marcos administration. Eraso, who with chief of staff Lt. Gen. Fidel Ramos led the March coup that brought Aquino to power, has condemned Aquino's conciliatory approach to the NPA, and he recently responded to criticism by calling for tougher military measures by declaring, "I may lose my patience. When I lose my patience I am like Rambo."

Pro-Marcos elements in the country also continue to plot against Aquino. The former president, however, is

in a 31-million house in Honolulu, was in continuous contact with supporters during an absence last July. Last week, indicating that he feared another such attempt during Aquino's absence, Ramos joined the military on a full state of alert.

But at week's end, the Philippines remained calm and Aquino left Washington to visit friends in Berlin, where she and her husband had fled to for three years until Benigno Aquino made his fateful journey back to Manila in August, 1983. Last week she referred to those days as the "happiest years of my life together." It was an almost wistful reference to a simpler time, before Philippine had propelled her to the presidency of a nation with a civil-conviction future.

—FERTER KOPPEL FOR THE NEW YORK TIMES
Washington and LEO NEUMANN IN PHILIPPINES



By AP Wire

GLOBAL NOTES

EUROPE

Mixed signal to Pretoria



Howe: heated debate

British Foreign Secretary Sir Geoffrey Howe described it as "a clear signal" to South Africa. But other European Community (EC) ministers were less enthusiastic about the package of anti-apartheid sanctions they approved after much heated discussion in Brussels last week. Dutch Foreign Minister Hans van den Broek called the package "disappointing," while his Danish counterpart, Uffe Ellemann-Jensen, said that it "takes

something away from the Community's credibility." Such criticism appeared to be founded on preliminary estimates indicating that the sanctions package—banning trade, steel and gold exports but not oil imports from the African nation—would reduce Pretoria's annual \$13-billion (Gds) sales to Europe by little more than five per cent. West Germany and Portugal led the opposition to putting oil exports, worth \$1.6 billion last year, on the sanctions list. But officials of Denmark, the Netherlands and Ireland said that their countries would continue to push for more stringent sanctions. Said van den Broek: "Coal will be on the agenda of every meeting from now on."

LEBANON

A harsh denunciation

United Nations Secretary General Javier Pérez de Cuellar's tone was acidic. He told an emergency meeting of the Security Council last week that "extremist armed elements" had attacked French UN troops carrying out peacekeeping duties in South Lebanon. Although the attack took place in an area where neither Israeli forces nor their South Lebanese Army allies operate, Pérez de Cuellar laid much of the blame for the continued bloodshed on Israel. By refusing to withdraw fully from the territory it occupied during the 1982 invasion of Lebanon, he charged, the Israelis had "provided armed resistance." Israel must be persuaded to quit the "security zone" it established inside the Lebanese frontier, Pérez de Cuellar warned—or the UN might withdraw its forces altogether. Meanwhile, the Israelis were considering measures to tighten their grip on the border zone. After gunmen of the Iranian-backed Hezbollah killed seven South Lebanese Army men in a pitched battle earlier in the week, Israel said it would increase arms supplies to the 2,000-strong Christian militia and if necessary send in more Israeli troops.

GERMANY

Closing the floodgates

For months there had been verbal jangling between East and West Germany about the flood of Third World immigrants. The Communist country—now a popular tourist port because of West Germany's open borders and cheap Soviet flights into East Berlin—has this year funneled more than 70,000 on migrants through the Berlin Wall to the West. Then, last week the East Germans announced that as of Oct. 1 travelers

arriving in East Berlin would be allowed to proceed only if they had entry visas for the West. But while the West German government expressed pleasure that the East had at last viewed the flow of refugees, members of the ruling Christian Democratic party—facing national elections in January—complained about the way the new visa system became public. The opposition Social Democratic party first uncovered the change, which party officials said they had secretly negotiated with the East. Said one government member: "First they [East Germans] create a problem for us, then they settle it in a way that helps the opposition."

SOUTH AFRICA

An underground disaster

A wall plaque at the entrance to South Africa's Kameas Gold Mine commemorating its 8,000 underground workers on completing one million shifts without a fatal accident was hurriedly removed last week. A fire that broke out almost one mile below the surface claimed 192 lives in the worst disaster in South African gold-mining history. All but five of the dead were blacks. The probable cause: a welding accident caused a gas cylinder to explode, scattering combustible material and sending toxic gas billowing through tunnels where about 5,000 men were working. Just the day before this fire, a report by the Chamber of Mines, representing the pit owners, claimed that in the first half of 1986 the fatality rate in mines had dropped below one per 1,000 workers for the first time, and injury rates had been halved over the past 10 years. But the National Union of Mineworkers, representing 500,000 black employees, said that the disaster "demonstrates the unacceptably low standards" of safety in South African mines.

UNITED STATES

Doubt and confirmation



Rehnquist: a legacy

It was clear from the start that President Ronald Reagan's nomination of Justice William Rehnquist as the new chief justice of the United States Supreme Court would run into opposition. His deeply conservative outlook made a congressional battle over his confirmation inevitable, but few anticipated how fierce the controversy would be. Last week—three months after his name was first put forward by the White House—Rehnquist's appointment of justice finally won Senate approval, but after a bruising debate and without unexpectedly small margin of votes. Thirty-five senators voted in favor of the nomination, but 33 remained firmly opposed—the greatest number of negative votes that a nominee to a Supreme Court seat had ever received. Rehnquist's opponents had challenged his record on civil liberties, his candor and even his judicial ethics, casting doubt on his ability to serve—as Democratic Senator Paul Simon of Illinois put it—as "a symbol of justice" for all Americans. He succeeds Warren Burger, who announced his retirement in June after 17 years as chief justice. Rehnquist, who will be 62 next week, may serve for years to come as a legacy of Reagan's conservative administration.

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Robt. Cohen, entrenched local interests in Halifax pitted against powerful outsiders

BUSINESS/ECONOMY

An establishment protects its turf

The case is expected to re-ignite a fierce struggle for control of a small trust company, Nova Scotia Savings & Loans Co. (NSL), in Halifax. But although the company is unknown to most Canadians, the trial unfolding in Halifax this month has revealed details of a battle pitting powerful members of the Nova Scotia business establishment against equally influential outsiders. The dispute dates from 1960, when Montreal banker David Leonard Ellen and Moncton lawyer Robert Cohen unsuccessfully tried to take control of NSL. Ellen and Cohen already owned a financial empire that includes Halifax-based Central Trust Co. Canada's seventh-largest trust company. To oppose them, NSL management enlisted the help of Halifax Development Holdings Ltd. (HDL), controlled by Nova Scotia's powerful

Sebey and Jodrey families. Now before the Nova Scotia Supreme Court, these battle has been charged with acrimony, including allegations and demands of anti-Semitism.

The trial, before Mr. Justice Peter Boudreau, opened in the high-ceilinged area of Halifax's courthouse No. 4 on Sept. 2. Since then, as many as 18 black-robed lawyers, armed with 20 volumes of evidence and acting for 40 plaintiffs and defendants named in five separate legal actions, have squashed off almost daily. But last week the battle spilled into a corridor of Halifax's Law Courts, where Cohen told *Maclean's* that he thought "red-neck ethnic considerations" were behind NSL's stubborn resistance to a takeover attempt. Said Cohen: "If my name were Smith or Jones instead of what it is, it would have been a different ball game." NSL president and chief executive officer James Radford

dismissed the accusation as "patently ridiculous."

Lawyers for NSL have alleged that Cohen and Ellen improperly engaged in what is called a creeping takeover—accomplishing shares without publicly announcing a takeover bid for the trust company. But for their part, legal counsel for Cohen and Ellen have argued that NSL and its Ontario allies—led by Derek Bantam, a vice-president of Toronto-based securities dealer Merrill Lynch Canada Inc.—went beyond the bounds of reasonable resistance to a takeover attempt.

At the centre of the fight is an extraordinary rule written into NSL's federally granted corporate charter. The passage prevents stock from directly issuing new shares that would give any stockholder or group of stockholders an interest in the company of 35 per cent or more. And while ordinary practice is to give stockholders a vote per share, NSL's charter prevents any stockholder with 10 per cent or more of voting shares from voting any of their shares.

The battle for the 135-year-old NSL began in April, 1960, when Cohen and Ellen contacted Central Trust, prepared a merger with the smaller company. The two self-made millionaires, both the sons of Russian Jewish immigrants, have been partners for 36 years. In the 1960s they took control of three small trust companies, which were eventually merged to create Central Trust, one of the largest regional financial institu-

tions in the Maritime provinces. But in bidding for 1969, they found themselves facing the combined might of Nova Scotia's Sebeys and Jodreys. The Sebey family's two main operating companies, Empire Co. Ltd. and Sebeys Stores Ltd., had combined annual sales last year of \$1.7 billion. The main interest of the Jodrey clan is a 17-per-cent stake in \$729-million-a-year Cresco Inc., owner of such companies as Cresco Life Insurance Co. and nursing home operator Excellence Health Services Inc. The two families entered the picture at NSL after Radford rejected the initial bid from Cohen and Ellen as too low.

In September, 1960, NSL sold 100,000 newly issued shares to HDL, a holding company jointly owned by the Sebeys and the Jodreys, for \$22 million. That transaction gave HDL a 14.5-per-cent interest in the trust company. NSL then planned to ask the federal government, through which amendments to the company's charter must be made, to renege the 15-per-cent rule. If Ottawa agreed, the company intended to make another 600,000 shares available to NSL, which would have raised its interest to 30% to 38.7 per cent.

But the *Toronto Stock Exchange* (TSE) ruled that any issue of new shares beyond the initial 100,000 would require shareholder approval. As a result, in January, 1961, NSL management dropped the plan. Then, in 1961, Ellen and Cohen quietly began buying NSL shares. Last week the trust company's lawyers argued that Ellen and Cohen were engaged in a creeping takeover because companies they controlled lent money to third parties to purchase large blocks of NSL shares, which, the lawyers alleged, gave the two men control over more shares than they acknowledged. Ontario securities law states that a takeover bid must be publicly announced once 30 per cent or more of the target firm's shares have been accumulated.

By June, 1961, Cohen and Ellen had personally bought 14.8 per cent of NSL's stock. According to evidence presented at the trial, Ellen wrote to former Royal Bank of Canada director John Coleman in May 1961, offering to cover his costs should he buy and hold NSL stock. Coleman borrowed \$12 million and purchased 307,700 shares, a 6.9-per-cent stake, from Atlantic Trust Co. of Canada.

But he later renounced his loan through Standard Investments Ltd., another Cohen and Ellen firm. Then, in December, 1960, Joseph Pettit, grandson of Atlantic Trust, and his brother, David, acquired a block of 163,900 NSL shares also held by Atlantic. The brothers bought the



Radford: black-robed lawyers and 40 plaintiffs

6.9-per-cent block with a loan obtained from Standard.

On July 12, 1961, Cohen and Ellen filed an offering with the TSE, backing a takeover bid for NSL. The partners' personal holding company, Euse Corp. Ltd., already owned 49.5 per cent of NSL's shares. The Pettit brothers, John Coleman and other parties had all sold their NSL shares to Euse Corp. Euse then bid \$21.50 a share for the remaining NSL stock.

But NSL's top executives, led by Merrill Lynch's Bantam, who acted as a key financial adviser, moved quickly to block the bid. By July 19, management had formulated a plan to dilute Cohen and Ellen's holdings to 38.4 per cent from 48.5 per cent by issuing 494,000 new NSL shares—most of

which would eventually be purchased by NSL, the firm owned by the Sebeys and Jodreys.

But NSL faced a dilemma, according to its own rules. It could not sell shares directly to NSL—without passing that company's holdings in NSL beyond the 15-per-cent level cited in the charter. As a result, NSL's strategy developed a plan to grant options on 300,000 shares—the maximum allowed under the bylaws—to five NSL officers, who would in turn immediately sell them to NSL. Another 200,000—the maximum allowed to be issued without a shareholder vote—would be sold to four parties friendly to NSL. Most of these shares were later recast to NSL.

The next day, on July 29, NSL's board of directors met to consider the hastily formulated takeover defence. After nearly six hours of heated debate the board unanimously approved the strategy and issued the 494,000 new shares. After announcing their stock options, Radford and four other NSL officers (but none owning sold the 200,000 shares at \$23 each) to NSL. Of the 200,000 shares sold to friendly parties, 100,000 were purchased by Excellence Ltd., later renamed Cresco Inc., Cohen's chairman, David Heneghan, is also a director of Halifax Development Ltd. (HDL), NSL's parent.

Then, over several weeks in July and August the results raised their bids for NSL shares. By the end of the month, both offers expired in mid-September, 1961. NSL had 51.1 per cent of the trust company, while Cohen and Ellen's Euse had short with 47.4 per cent. During last week's court proceedings, Ellen's lawyer, a lawyer for Cohen and Ellen, announced that Cohen and Ellen, announced their intention of devising a plan to bypass NSL's 15-per-cent rule. Spotted Bantam: "What the company did was in the best interests of the shareholders."

Lawyers last week predicted that there would be four more weeks of testimony and legal arguments, after which it would likely take some time for the judge to render a decision on legal issues. If Judge Richard rules that NSL management acted improperly when it issued new shares on the evening of July 20, 1961, Cohen and Ellen could end up with about 40 per cent of NSL stock, while Cohen and Ellen's side in stock they could not vote any of their stock. The same provision prevents HDL from exercising its sizable stock holding. Indeed, until the fate of that extraordinary case is decided, control of a venerable Maritime bank and institution remains in the control of a determined local management.

—CHAS WOOD in Halifax

Fallout from the Maritime media wars

Across the country, television viewers tuning in to the local Canadian Broadcasting Corporation around noon can see *Making a Day*, a half-hour-long news show. But not in New Brunswick, the only province without full service from the public network. The CBC does not own a station in the province because for years the only two variants available were in the hands of private broadcasters. Six months ago two cases which became available, but because of budget cutbacks the CBC could not afford to bid for one. As a result, since 1984 the CBC has contracted with Saint John's CBC Television, owned by the powerful Irving family's New Brunswick Broadcasting Co. Ltd. (NBBC), to act as a CBC affiliate station. But CBC runs only 60 hours a week of CBC programming, including *Making a Day*, *Gravel* & Co., and various other network shows. Now, according to a controversial plan before the Canadian Radio-television and Telecommunications Commission (CRTC), New Brunswickers may finally receive the full range of CBC programming by 1986.

A three-member CRTC panel held public hearings in Saint John two weeks ago to consider an NBBC proposal to create a new regional television network based in Halifax and with CBC stations in Saint John, Fredericton and Moncton. In exchange for a license in Halifax—the region's richest advertising market—the Irving proposal committed NBBC to airing the CBC's full weekly schedule on Saint John's CBC station, plus the CBC's special of increased concentration of media ownership. CRTC approval would tighten the Irving's already powerful grip on New Brunswick's media. The Irving also owns radio stations CFC in Saint John and four daily newspapers in the province—among them Saint John's *The Telegraph-Journal*.

When NBBC last appeared before the CRTC in January, 1983, during an application to renew its license, the issue of cross-ownership dominated the debate. In 1982 the Liberal federal cabinet had directed the CRTC not to renew broadcasting licenses held by owners with dominant print holdings in the same market. As a result, the CRTC renewed NBBC's license for only three years, ordering it to comply with the federal directive by 1985. The Irving's 1983 took the matter to court, but the case was dropped last year when the Conservatives returned the Liberal order.

But at this month's hearing, it was



Clark's co-ownership deal for the first full CBC-TV service in New Brunswick

NBBC's plan for a new regional network, and the cross-ownership deal needed with the CBC that gained the attention of the CRTC commissioners. For its part, the CBC would have preferred to operate its own station in New Brunswick. But because of nationwide budget cutbacks, CBC executives decided that negotiating major airtime with CBC would be less expensive in the short term. Said Sherragh Whittaker, the CBC's vice-president of planning and corporate affairs: "Our paramount goal is to get our programming into that market."

Talks between NBBC president Robert Clark and CBC executives began last May. But they quickly bogged down over scheduling, programming and financial disputes. Clark's insistence that civil airtime be used to promote the proposed network, called *Maritime Independent Television* (MITV), Whittaker said that a CBC affiliate should not promote another network. Disagreement over these issues nearly scuttled the plan. But a frantic series of private telephone calls took place between NBBC's lawyer and Whittaker on Sept. 11, the second day of the hearing. Clark accepted a full range of CBC programming and was the right to promote the

new network for two years on CBC. Still, during the hearing NBBC faced awkward opposition for its new network from giant Toronto-based cable Ltd., which operates five TV stations, two satellite networks and 24 radio stations nationwide. CRTC officials, Atlantic Television System (ATS), which operates one station and a satellite network in Halifax, and one station in each of Moncton, Sydney and Saint John. ATS president Fred Sherratt told the CRTC panel: "The region cannot support a cross-owning fourth limited service."

But some cross-owning into the Halifax-Bathurst market as critical for its growth. NBBC has more under growing financial pressure in recent years as national advertisers increasingly pass over smaller urban markets such as Moncton and instead place their money in such major centers as Halifax—where \$40 million is spent annually on tv ads. The CBC's ruling on NBBC's plan for a new network is expected by Christmas Day. Then it remains to be seen whether the compromises will bring the full CBC service to the province.

—CHRS WOOD in Saint John



Bulgin: an uncertain and jittery world market amid conflicting economic signals

Respite from the fall

Two weeks ago confusion over the direction of the United States economy combined with some technical elements of present-day trading to send the New York Stock Exchange (NYSE) into a crashing dive. It shed 141 points off the Dow Jones industrial average in two days—the biggest point drop since the stock market crash of 1929. Last week's new warning signals began flashing. As the stock drifted lower after a half-hearted recovery earlier in the week, the U.S. dollar fell sharply against the Japanese and West German currencies. As further evidence of uncertainty, the price of gold on the London bullion market rose by \$11.90 (U.S.) an ounce to \$489 (U.S.) an ounce—its highest level in more than three years. Still, there was no respite from the previous week's precipitous slide. The Dow closed on Friday at 1,762.51—four points higher than it stood after the dramatic plunge of a week before.

After five days of bitter trading on the Toronto Stock Exchange, the rise's 300 composite index, which lost more than 300 points a week earlier, rose sharply on Friday in response to soaring billion prices. Led by shares in mining companies, the TSX 300 rose by 32.6 points to close at 3,008.46. The market appeared to shrug off a statement by Finance Minister Michael Wilson on Thursday that Ottawa's deficit would reach \$32 billion this year. \$2.5 billion above earlier projections. Said Carl Began, chief economist at Dominion Securities Prithill Ltd. in Toronto: "The markets are not showing pessimism. They have simply moved away from easy optimism."

The new jitters on the New York exchange were caused in part by a warning from U.S. Treasury Secretary James Baker that the American dollar might have to go lower to help reduce the U.S. merchandise trade deficit—already more than \$10 billion this year. But traders' attention was focused on an experiment aimed at preventing severe market swings on what experts call "triple witching" days—when stock index futures and options mature simultaneously. And analysts attributed the NYSE's quiet performance on Friday partly to a procedural change

ordered by Washington's Securities and Exchange Commission (SEC) in an effort to curtail triple witching.

The phenomenon, which has produced wild stock market swings at the end of every business quarter, reflects the growing trade in stock options and futures, which allow investors to speculate by entering into contracts to buy or sell stocks at future dates. On Oct. 1, an investor might buy an option to purchase a stock on Jan. 1 for \$22 per share, which is currently trading at \$20 per share. But, if by Dec. 1 the stock is trading at \$18, the option could be sold for a profit.

The practice has been complicated by the activities of arbitrageurs—traders who buy and sell stocks, bonds and currencies to exploit price differentials. Over the past year, arbitrageurs have set off frenzied increases in trading volume as futures and options expire—usually on the third Friday of the last month of each quarter. As arbitrageurs juggle their portfolios, huge imbalances often occur because buy and sell orders are not always evenly matched by closing time.

Triple witching on March 31 triggered a 36-point decline in the Dow, while on June 30 the Dow rose by 24 points. Such swings are usually corrected when the market reopens. But small investors can be hurt if they panic and sell. Said Jack Barham, futures trading director at General & Co. in New York, the public feeling is that "arbitrageurs are the ones that have all the opportunity to handle it."

Under the SEC proposal, tested on an experimental basis, the SEC required traders to give half an hour's advance notice of buy or sell orders for 30 key stocks, so that officials could induce order imbalances in time for traders to make matching orders. The procedure appeared to work—the Dow fell by only three points in the final hour last Friday. But experts said that the SEC's prior announcement of the plan may have contributed to the sell-off six days earlier. Knowing that the experiment would take place, arbitrageurs closed their future positions early and put pushed up the triple witching by six days. Said John Schuchman, vice president of the commodities division of New York's Prudential-Bache Securities Inc.

But controlling triple witching will not end stock markets' fluctuations and consequent investor confusion. Given the current concern about slow growth in North America and fears of new inflationary pressures, that need of uncertainty may dominate markets for some time to come.

—MARK WICKHAM with THERESA WICKHAM in Toronto and LARRY BLANK in New York

Unfulfilled dreams



Left: Orpique Research facility; Swain (below): community suspicions

Jack Murray pulled his pickup truck to the side of Main Street in Morris, Man., and parked to a large, weather-beaten single-story industrial building. It was the headquarters for Orpique Research Limited Partnership, a company set up 18 months ago to research ways of turning wood and other off-kilter complexes into sugar. When it opened last winter, the company was expected to bring some badly needed business to the town's centre. But it was 11:55 on a weekday morning early in September when Murray stopped his truck and the building was deserted and silent. The nearby parking lot was vacant. Road Murray, the owner of the property, told 1,300, located 45 km south of Winnipeg. "Currently, that is our major industrial facility, and it is full of Jack."

The building, owned through a numbered company by businessman Denis Wilder, Orpique's president, remained a few days later, after a summer shutdown, and hired its employees. Still, some residents of Morris say that they are small-town victims of a lucrative tax avoidance system. Investors in Orpique benefit from a number of personal tax advantages, including the large federal capital-gain exemption.

Relations between Orpique and the residents of Morris were once promising. Local businessmen attending a Chamber of Commerce dinner in December, 1985, said that they were delighted to hear that Orpique planned to invest \$18 million in the town. A bus manufacturer had closed down 18 months earlier, leaving 50 people without jobs. But Orpique's early

allure quickly faded.

Orpique has never employed more than six local people at a time. According to Wilder, he could not find the specialized people he needed in Morris. Now, Revenue Canada is conducting an audit of the company's books and research work to determine the legitimacy of its work—part of a sweeping look at limited partnerships and their investors. That investigation, which Wilder says is still proceeding, could mean delays in the delivery of personal tax

refunds to Orpique's 250 limited partners, who include many members of Winnipeg's elite. But what concerns Morris residents more is that a Dutch-based company, Vicon Western Canada Manufacturing, attempted to buy the building last year. According to Murray, Vicon intended to hire more than 100 people to assemble farm equipment. But Orpique held on to the building, and Wilder says that he "never received an offer on it." Said Murray: "In the life of a small town, it is a rape to own a building and not use it." For his part, Murray Swain, owner of Morris's Daily, insists that he had hoped to do a booming business providing lunches to 100 or more Orpique employees. Said Swain: "No one in town is getting anything beneficial from this company."

Orpique is what tax experts call a speculative research and experimental development limited partnership. It is a tax shelter that combines long-standing research tax deductions and credits along with the personal capital-gain exemption introduced in the May, 1985, federal budget. Those shelters provide investors with an income-tax deduction, a tax credit and a cash payout.

However, Orpique's wood-into-sugar plan began to sour last March, when Manitoba's then-finance minister Vic Schneider described its operation as "legalized theft" permitted by the federal tax system. But Wilder insists that the firm is "a bona fide research project with enormous commercial potential." He added: "There is absolutely no tax money, government money, involved in the thing. These guys invested in the project. If there are any losses in the project, and if they wish to see those on their tax returns, that is their business. It has absolutely nothing to do with Orpique."

Still, the taxation provisions that made Orpique such a lucrative investment was changed by Finance Minister Michael Wilson in his budget last February. He announced that tax deductions will be allowed only on money that is invested at a genuine risk, making total tax returns above the amount originally invested impossible and raising payments such as the one structure received from Orpique no longer deductible. But by then, those who had invested in Orpique had already been assured of making up to \$62,000 for every \$50,000 invested. Orpique investors stood to receive \$25,000 in savings from tax deductions and a tax credit of \$20,000 for a total tax saving of \$45,000. An additional company payment of \$29,500—scheduled for distribution to the limited partners three weeks after their investment—was made—in substance by the capital-gains exemption.

During an interview, arranged through his lawyer, Wilder disputed some townpeople's contention that he had no intention of carrying on business there. But for Mayor Morris, the future of Orpique Research seems clear enough. He said that he intends to take steps to get Orpique out of town. Added the mayor: "We are going to contact the department of revenue to see if we have to endure this—or see if we can have it all hauled out to a smorgasbord and have the property leased to a viable company."

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—DANIEL J. SMITH in Morris



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Agenda for a tax revolution

By Peter C. Newman

Last week, when Michael Wilson proclaimed the abandonment of his tough stance on the federal deficit, he was really switching strategy toward his most cherished goal: a fundamental reform of the Canadian tax system. Although the finance minister shied away from detailing his plans on future corporate taxation, Ottawa is known to be working on an approach that would draw clear distinctions between export-oriented industries and businesses that lose off imports, with incentives provided for the former and sanctions to be placed against the latter. Real (as opposed to paper) productivity will be encouraged. Use major items yet to be considered is how to deal with the exponential increases in corporate concentrations.

The target here will almost certainly be the advantage large corporations are taking of unlimited interest deductibility—the ability to write off the cost of borrowing money for corporate tax purposes. One approach actively being discussed is to differentiate between loans taken out for capital expenditures that create or expand productive capacities and the billions that are borrowed by chief executive officers who buy out other companies merely to satisfy their egos.

When the details of Wilson's tax changes finally come down, the finance department's emphasis on future corporate incentives will shift from large to small and medium-sized businesses. That is where the most dynamic future growth patterns lie, and it is the only practical way to encourage increased Canadian ownership of the economy. "Small business," says John Playfair, a senior tax partner with Charles Gordon in Toronto, "would, for example, be allowed to claim an annual exemption, like those already applied to personal incomes."

Wilson's hope of lowering personal taxes closer to the new American rates will be not only tough but ultimately impractical. Much has been said and written about the reduction of American tax rates, with corporate levels due to drop to 34 per cent (compared to a top Canadian rate of 52 per cent) and maximum personal levels due to decrease to as low as 33 per cent (compared to a high of 60 per cent in Canada). But what's really important about Washington's new initiative is that it is designed to transform the funda-

mental philosophy of the tax system. Instead of encouraging taxpayers to make the kinds of decisions that provide tax advantages, the tax system will be neutralized and investments will have to be made mainly for economic reasons.

That is also Wilson's approach, but his task is made much more difficult because the Canadian tax system does not have nearly so many deductions available for elimination "bit," says



Wilson: leaving the deficit war

Playfair, "we're going to have to follow the Americans to some considerable extent because I don't see how we can remain competitive unless the after-tax results of personal and corporate incomes in the two countries coincide. If they didn't, we could see well-qualified individuals who are becoming increasingly mobile, drift to the U.S. and even more industrial activity transferred south of the border."

An easier objective for Wilson should be simplification of Canadian

taxes. One idea being floated in Canadian accounting circles is to apply the same lower personal tax rates to companies, on the theory that trusts, corporations and partnerships really aren't that different from individuals. Once a firm has paid taxes, for example, it is claimed that there would be no need to provide for dividend tax credits.

The powerful Business Council on National Issues recently weighed in with the view that "the tax system is so complex largely because tax policy is used for purposes other than raising revenue. As part of any strategy for comprehensive tax reform, this trend should be reversed."

The next is one of many groups recommending the adoption of consumption taxes, such as the value-added or business-transfer tax. The idea is that Ottawa would tax people when they spend rather than when they make money. Superficially it sounds like a great idea. It would encourage savings and be a much less visible way of helping reduce the deficit than having to raise tax rates. But it's not really as equitable tax. It would make an already complex collection system even more convoluted, and might not be worth the trouble in terms of extra revenue. The assumption is that such a new transfer tax would replace federal sales taxes, which already produce more than \$30 billion annually for the federal treasury. The only obvious increase in revenue from the transfer tax would flow from the service transactions that are now exempt.

According to Wilson's own forecasts in his last budget, net public debt as a percentage of gross national product will rise to 57 per cent by 1990 from the current 45 per cent—and that's after some fairly draconian cost-cutting measures. But that means we would be facing a \$38-billion federal debt by the end of this decade indeed, Wilson confirmed last week that the federal deficit this year will be higher than previously forecast—\$28 billion compared to an earlier estimate of \$25.5 billion. But he expressed reluctance either to increase taxes or to introduce major spending cuts to reduce the deficit.

The only comfort Michael Wilson—and the rest of us—can hold on to is that tax reform and simplification will spur economic activity considerably to lower the deficit. That's a long shot. But we don't have any choice.



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THE NEW DRUG CRUSADE

COVER

Tito has left. But once he was the toast of Montreal. A Peruvian, he arrived in town in 1968 to switch a boxing belt and ended up as a darling of the city's nightclub world. He was a legendary dancer who drove a red Porsche sports car with matching red telephone and entertained lavishly, according to the RCMP, spending up to \$1 million a year just on having fun. He once left \$400 on tips after a small dinner party at the Ritz Carlton Hotel. Tito had a \$250,000 suburban home, seven passports and a sizable stake in Montreal's booming cocaine trade. And when the RCMP raided a drug processing laboratory that he operated in suburban Roseville in April, 1985, seizing 68 lb of cocaine and arresting five men, Tito got away.

Wreckage: Like Tito, the glamorous stars that once surrounded the world of so-called recreational drugs in the United States and Canada has also disappeared. Now, the wreckage is more visible—in the broken families, the shattered health of drug users and the increasingly convoluted webs of drug-related crime. Last week in New York City, an anonymous boy, 4½ feet tall and 35 years old, was arrested by police for selling crack—a potent form of cocaine as destructive as any of the countless narcotics marketed has ever employed in an age-old struggle to

soften the edges of reality.

Epidemic: In the United States there is now a heavily publicized drug crisis that runs across class, racial and geographic barriers. It has attracted widespread support for the "toughest new national" crusade against drugs announced by President Ronald Reagan and his wife, Nancy, in an emotional television address last week. And Prime Minister Brian Mulroney pledged that he too will lead a campaign against what he called Canada's drug "epidemic" during an almost simultaneous address in Vancouver—a brief reference that he justified into his prepared speech while travelling by jet from Ottawa. Many Canadians were startled, and some of them questioned whether there is in fact a serious drug-abuse problem in Canada. Subsequent confusion over the Prime Minister's remarks on the issue of compulsory drug testing, and some of the civil service intensified the controversy. But as the week progressed there was no doubt that the rising tide of seizing narcotics in the United States had washed into Canada.

Some critics said that Mulroney's statement was an attempt to take a politically popular stand

against the Liberal Leader John Turner. "I can't help wondering if there is any handgrip that goes by that Mr. Mulroney doesn't pump on," few medical experts supported the claim that there is a new epidemic of drug abuse. "We haven't any indications of a new, terrible problem," said Judith Blackwell, a sociologist with Ontario's renowned Addiction Research Foundation (ARF) in Toronto. But other interested observers, especially police, expressed gratitude at the top-level political interest in Canada's drug problem. According to Edmonton Police Chief Robert Leoney, anyone who does not believe that there is a drug epidemic in his city "must be living on another planet."

Drugs: Leoney supported his contention with hard figures. In force seized less than 25 ounces of cocaine in 1984, 75 times as much the following year and, so far this year, almost 18 lb. But the evidence is also visible in anyone

walking the city's gritty downtown streets. Drug sales and usage are most widespread just two blocks away from police headquarters, in a street-dotted compound with barred windows and guard dogs, a building that police call "The Fortress." The fortress is Edmonton's lockup—a drug distribution centre, still in business despite a half-dozen raids and numerous arrests and convictions during the past three years. Its operators specialize in Tolson and Krollin, which are prescription drugs known to abuse as "B and R" or "poor man's heroin."

A recent raid turned up 1,000 seed and bloody syringes chopped in an old water tank especially converted for the purpose. But not all of Canada's drug culture is as sordid. Until last Wednesday, Halifax broadcaster Bruce Phillips was "the best guy in town," according to Marvin Nathanson. Nathanson is the

vice-president of MTV, the Maritime television network of CTV affiliates, which aired the handsome 46-year-old Phillips as host of its weekly drawing of Atlantic Canada's A-Plus Lottery. For the past 10 years Phillips had one of the best-known voices in the region. His morning show on Halifax station CHL was one of the city's most popular, and he appeared regularly in local television advertisements. But on Sept. 11, according to an unnamed spokesman in Halifax, Phillips allegedly sold less than an ounce of cocaine worth \$3,000 to an undercover policeman. Now he faces a trafficking charge.

Cocaine: To Grand Sgt. Rodney Stander, head of the RCMP drug enforcement branch, middle-class dealers and down-and-out users are all part of the same problem. So, too, are the heretofore stragglers now abandoning their way into the Montreal heroin market with marauding efficiency. They are joined by "swallowers," who enter the country with drugs wrapped in latex condoms in their stomachs, and Panama City bankers who launder money deflected to them by millionaire Colombian bankers. Declared Stander in an interview with Maclean's last week: "It is without doubt a very serious problem in this country no matter how you describe it. The Canadian problem cannot be looked at in isolation. We are site tentacles reaching out into a vast international problem, something that most Canadians don't connect with when they are using drugs on the street level."

Stander supported the Prime Minister's warnings about a serious drug problem, citing RCMP estimates which show that the value of drugs drugs available at the retail level in Canada has grown to \$19 billion a year since 1981. During the same period the number of drug offences recorded in Canada has declined dramatically—so \$4,250 per police officer. "There is some increase in cocaine use, but nothing like the increases we saw in the 1970s."

Spread: Use of the most popular illegal drug—cannabis—in decreasing in Canada and the United States. And as in Canada, the number of heroin addicts in America has remained stable over the past decade. But those developments have been obscured by powerful antidrug passions in the United States. They have gripped all levels of U.S. society, from the President and Prime Lady's inapparent and embattled residents of New York City's



Cocaine snorting (above), Reagan's before address (below, left), Mulroney (below, right), convicted webs of crime



Byers neighborhood who now organize antismack rallies almost weekly. The heightened concern is partly a result of the lightning-fast spread of crack. But another factor clearly demarcates the U.S. drug scene from its counterpart in Canada: the path of many cars.

Death Large U.S. cities have struggled for years with the problem of the deadly drug addiction, but it was the cocaine-induced death of University of Maryland basketball star Len Bias—a brilliant athlete—that brought the problem home to Middle America. After Bias's death on June 19, Reagan launched a major antidrug campaign, in part because of the heart-breaking statistics of addicted schoolchildren he had heard from his wife, who since 1981 had made drugs her personal issue. And for their part, Democratic and Republican congressmen—many of them facing re-election this November—quickly entered in the antidrug crusade.

Concerns that the drug menace has moved out of inner-city ghettos and into the lovely suburbs of suburban America has already led to the swift drafting of harsh antidrug legislation in Congress. The bill, sponsored by both parties, passed the House of Representatives this month. It will allow narcotics prosecutors to introduce illegally obtained evidence in certain cases, and substantially tighten penalties for trafficking. In particular, it calls for a maximum fine of \$8 million for someone convicted of running a drug ring, and imposes a mandatory life sentence on anyone over 21 who receives a second conviction of selling drugs to anyone under that age. In addition, the bill would impose the death penalty on a dealer under certain extreme circumstances. Indiana, Arkansas and Representative Tamarney Robinson "When you find that drug dealer that caused the death of someone, that person is never going to come back and kill anyone."

Highs In New York City, Mayor Edward Koch is advocating the death penalty for drug traffickers, and Bronx councilman Roy Weisell Foster has suggested ending drug dealers and putting them on public displays. But some politicians oppose these measures, as well as the proposed legislation. Declared Massachusetts Democratic Representative Barney Frank "I

am afraid this bill is becoming the legislative equivalent to crack. It is going to give people a short-term high, but it is going to be dangerous in the long run to the system, and expensive to boot."

Some observers consider a decision by Reagan to order drug testing for federal employees to be equally short-sighted. "That is the federal government's way of just saying 'no' to drugs," Reagan said last week while signing the order requiring mandatory

them on Oct. 3. But his comments on drug testing antagonized him in conservative last week. When The Weekender Sex quoted him as saying that Ottawa was seeking testing methods that would not violate the Charter of Rights and Freedoms, Mulroney denied the report. Then he acknowledged that he personally would comply with a testing program designed "to rid Canada of drugs by way of example or otherwise." Air Canada and Canadian National Railways already require some job applicants to submit to urinalysis to check for drug use. But CN has never tested current employees, and Air Canada spokesmen announced last week that the company was dropping plans to do so.

Critique The tests cost between \$25 and \$250 each. And their critics charge that some are not scientifically reliable. According to Toronto's largest African newspaper, poppy-seed cake may show up as heroin in urinalysis and a widely sold brand of cold capsules may show up as an amphetamine. He said the tests cannot distinguish between marijuana smokers and those exposed to the smoke at a party. Said Greenpeace: "Drug tests have already developed techniques to fool the analgesic." And he added that sophisticated lab testing "won't consistently achieve a 50-percent accuracy rate. So what does that tell you about the unreliability of the tests?" Mulroney's oblique reference to a testing campaign was not the only aspect of his antidrug crusade to attract criticism. In London, Ont., University of Western Ontario law professor Robert Solomon said in an interview "Time and time again we have blindly followed American initiatives when the reality here is fundamentally different." Solomon, who specializes in drug policy, said that the police and media had exaggerated the drug problem.

According to Solomon, the police estimate of a \$15-billion drug trade in America that 700 million Canadians spent \$2,500 each year on drugs. But he said that there are no surveys to support that claim. He added that police spokesmen inflate the value of drug seizures by routinely listing their estimates at the maximum possible retail price for drugs that are often seized at the earliest stages of the distribution process. Declared Solomon,

"It's like saying, 'See that tin of beer out? It has a street value of \$30,000, as a Cadillac.'" The actor's Stanier takes a different approach. In fact, he said, the \$15-billion figure is probably too low.

Drugs: Solomon and many other critics of government policy say that exaggerating the drug problem diverts attention from more serious concerns. The drunk driving 160 statistics show that in a single year, 1982, 560 people died as a result of drug abuse in Canada, but during the same year more than 160 died in motor vehicle accidents in which alcohol was involved. About 3,000 more died from other alcohol-related causes. Added Alan Podawski, director of the Alcoholic Solutions Abuse Treatment Program in North Vancouver: "Alcohol will always be the number 1 problem. There is no question that if anyone tried to market alcohol today for the first time, it would never pass Drug Prohibition, though we're much better for a lot of people."

In the past five years Podawski has



Vancouver's Mulroney, Robert, McGowan, (below) Reins no "tragic buffa"

seen the number of cocaine abusers climb from zero to a current level of roughly 50 a year—about 18 per cent of the patients who enter the program. Said Podawski: "A lot of the middle class is being swallowed up by cocaine." And experience has shown that cocaine abuse is one of the most intractable forms of addiction. But when cocaine enjoyed a revival as a fashionable drug of choice during the 1970s, many were convinced that it was nonaddictive. Said veteran Toronto drug counselor Norman Pines: "It is almost as if we have amnesia. All the dangers of cocaine abuse were well known in the 1920s."

Truth: The tenacity of cocaine addiction is reflected in the modern-day "tragic buffa" of almost all treatment programs. One exception is that of the Portage Treatment Centre, located on an island in the southern end of Montreal. Studies have shown that 80 per cent of Portage clients remain drug-free three years after treatment. But the success is not without cost, which is given by ex-addicts, has

drawn criticism for its boot-camp toughness.

Polarized: Paralleling the growth in treatment is an intense effort to prevent young people from ever experimenting with drugs. Although these education programs are often credited with creating a new ground swell of opposition to drugs among the young, they often suffer from one serious flaw: "The teenagers often end up polarized," said Michael Goodstadt, head of education research at the ANP. "Those who were in favor tend to become more pro, and those who felt ambivalent about drugs before become even more so."

Still, education efforts are far more sophisticated now than they were in the 1970s, when mass tactics and moralizing, mixed with basic information about the effects of drugs, were often played against those prevented it. Now, some of the most successful programs train young people to help their peers avoid drugs. In Bedford, N.S., youthful counselors Kimberly Hollings, Barbara Robert and Jamie McLaughlin devote themselves to a "Choosing About Using" campaign. Older volunteers contribute their time to such organizations as the Parents Against Drugs, in Ontario. And celebrities often take part. One in Montreal Expo Tino Ruana, who regularly takes to groups of children in schools.

Shockers: According to Goodstadt, the use of "shock tactics" will turn all young people off all drugs, drugs come and go in replaceable cycles. Pines said that he was shocked to see the return of the debilitating drug speed (amphetamines) after the streets of Toronto late last year after the absence of about five years. Another tale of the 1980s, lysergic acid diethylamide (LSD), is also making a strong comeback. Among new arrivals on the drug scene are the so-called designer drugs—synthetic compounds that are cheaply manufactured and, in some cases, are thousands of times more potent than heroin.

For reasons like this, however, confronting drug abuse means adopting a radical new attitude toward it. "Essentially, we lie to people about the dangers," he said. "It is dishonest to suggest that it isn't possible to use some of them a sensible way. But to the followers of the crusade for a drug-free society, that approach no longer is safe—or even ethical."

—JOHN GARDNER with ALISON HARRIS
and ROBERT MCGOWAN in Ottawa.
CHUCK WOOD: LONDON
DAN TREVINO: MONTREAL
MARCIA LOPEZ: TORONTO
and correspondents reports



RCMP enforcement officer "We are only looking at catching out"

criminals of federal employees in "surveillance positions." But civil liberties and the workers' union representatives say that tests are an unreasonable invasion of privacy. Although the White House has refused to estimate how many employees would be required to take the tests, some sources report that it would affect as many as one million workers. The ruling will likely be challenged in the courts. But the example has already been established: hundreds of private corporations, including transportation firms and others, have instituted similar mandatory tests for their employees.

So far, Mulroney has remained vague about his plans for stronger laws to fight drug abuse in Canada, saying only that he would announce



ANATOMY OF AN OBSESSION

COVER

Christopher Landquist says that he remembers going from the window of his North Vancouver apartment in 1973, dreaming of moving across the Georgia Strait to Vancouver Island. Two years later that dream became a reality when 25-year-

old Landquist, who began as an occasional/drug addict, turned into a priority

over cocaine habit, which cost him up to \$2,000 a week.

Life To Landquist, drugs seemed to offer an escape from reality. But they accelerated his descent into a personal hell of divorce, addiction and a prison term for drug dealing. This slide began



Landquist, what began as an occasional/drug addict, turned into a priority

old Landquist, a Canada Post letter carrier, was transferred to Campbell River, a small lumbering and fishing centre 175 km north of Victoria. There, he was quickly found a job in a forest shop. The couple soon bought a cozy, \$32,000 house so close to the Campbell River that Landquist, a hobby fly fisherman, says that he could "swell the salmon migrating." Life seemed complete when his wife gave birth to a girl in December, 1978. Said Landquist: "I witnessed the birth one stormy evening and at that exact point, I was feeling fulfilled." But within four years Landquist was snoring cocaine off toilet tanks in the washrooms of Vancouver bars. His marriage had dissolved in divorce, and he was selling the hallucinogen LSD to support his

in 1988 when Landquist twisted his left leg while unloading a postal truck. The accident tore a cartilage in his knee, and he had to wear the first in a series of hip braces for four weeks after his operation to repair the damage. Landquist began taking powerful pain relievers to ease the aching in his leg—and smoking marijuana to pass the time. Said Landquist: "I was frustrated and angry. I was fighting everybody and everything."

Pain Relieved with his wife deteriorated, and nine months after their daughter was born, the mother and child left him and went to live with her parents. The separation was supposedly temporary, but a frustrated Landquist told the house and moved back to Vancouver. There, increasingly

worried about his health, marriage and future job prospects, and to ease the physical pain of his injury, he began using cocaine. Said Landquist: "Cocaine seemed like a feasible way to bring me out of the slide. The physical feelings were not tremendous, but the psychological benefits were spectacular. I was euphoric."

Landquist started working for an operation producing LSD, selling small doses to sustain a cocaine habit that had begun as an occasional, \$30-per-week indulgence. Soon, snorting coke became the most important thing in his life, and his marriage to his wife and daughter became less frequent. Said Landquist: "Getting out using cocaine became my main priority. Nothing else was nearly as important." During the day he worked as a salesman at a West Vancouver bookstore. His nights, however, were a frantic round of appointments in restaurants, back alleys and parking lots. There he handed over doses of LSD and received envelopes filled with cash in return.

Change But Landquist's six-month drug-dealing career ended abruptly early on a Sunday morning in February, 1982, when, he recalls, he woke up after three head bangs on his apartment door. Said Landquist: "Before I could put my feet on the floor, there was someone pumping a shotgun in my face." He was one of 16 people arrested in a series of police raids that morning and charged with conspiring to traffic in B.C.'s real-time words of LSD. He pleaded guilty and served one year of a four-year prison sentence before his release on parole last year. That while he was waiting for his trial, Landquist realized that he wanted to stop using drugs. He turned to the Alternative Substance Abuse Program, a privately assisted treatment program in North Vancouver which uses counselling, education and group therapy to help abusers. Said Landquist: "I wanted to get a grip on my life. I knew I did not have anything left to lose. I was no longer of use to many people."

Landquist, now 35, is a bit soft-spoken man with a handsome nose like his 37-year-old son. He says that since someone who was deeply involved in back-alley drug deals, he is enrolled in a psychology program at Bernaby's Simon Fraser University and says that he plans to begin a career working with mentally handicapped children after he receives his bachelor of arts degree this year. But he adds that his fragile recovery depends on staying away from drugs. Said Landquist: "At the time I did drugs I felt invincible. But you're never cured. I freely will accept a drug addict even now."

—JANE O'HARA in Vancouver

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FRUSTRATIONS IN THE DRUG WAR

COVER

In a Canadian National freight terminal in Montreal last July 23, Customs agents were examining documents covering shipments from overseas when they became suspicious of a metal-shredding machine from Boshart. Metal-shredders are not commonly imported from India. The agents looked into the background of the importing firm and discovered that the company existed in name only. There, where one of the officials found a freshly welded seam on the side of the shredder, he got a metal saw and a blowtorch and cut a hole inside where

780 lb of hashish worth, Customs estimated, about \$4.5 million on the street. They handed the case over to the RCMP.

Breakout: Every month across Canada, law enforcement agencies are testing their police skills against the devious imaginations of illicit drug traffickers. The illegal drug trade, according to the RCMP's latest calculations, was worth \$10 billion in 1984—a figure equalling Canada's total exports to Europe that year. Clearly, the authorities are losing their war against those who deal on a global scale in cocaine, heroin, marijuana and hashish.

The principal reasons not enough manpower or money, the vast wealth and growing ingenuity of the traffickers and a country known around the world as being easy to enter. Staff Sgt. James Shannon of the Metropolitan Toronto Police Department's 80-member drug squad: "It's like taking a fly swatter to a bee's nest. It wouldn't be realistic if I said we were ever going to catch up." Added Staff Sgt. Gilles Willesco, senior investigator in the RCMP's Montreal narcotics squad: "We know we are hitting the traffickers hard when the prices of drugs start rising. Right now, the prices are going down."

Poaching the traffickers often leads to arrests—but even they frequently yield just another dead end for the investigators. Last June 8, Andre Miller boarded a jet flight 844 in Lahore, Pakistan, and flew to Amsterdam, where Customs officers at Schiphol airport detected nearly seven pounds of heroin in his luggage, and added suitcase. They didn't confront Miller, who was boarded KLM flight 896 for Toronto. But they notified Canadian officials at The Hague and they, in turn, tipped off the RCMP. At Pearson International Airport in Toronto, Customs officials interrogated Miller's suitcase before it reached the luggage carousel and substituted cones for the heroin. The 40-year-old Pakistani, dapper in sports jacket and slacks, was cleared through Customs. Then the RCMP followed him to an apartment building, where they arrested him in the lobby. They found an additional seven pounds of heroin in a carry-on bag. Miller now is serving 17 years, but is never confined, and police still don't know the source of the heroin or where it was landed.

John Nixon was convicted under Section 5 of the Federal Narcotics Control Act, which prescribes a minimum sentence of seven years and a maximum of life in jail for importing or exporting illicit drugs. Narcotics trafficking within the country is also punishable by a maximum life sentence. But now there is growing support for a proposed law that is even tougher. That legislation would empower the courts to seize all the assets acquired by a convicted trafficker with proceeds from illicit drug transactions—not just the money made from selling drugs. Richard Mosley, general counsel in charge of the federal justice department's criminal law policy and amendments section in Ottawa, said in an interview that the absence of such legislation is "a major impediment to the war on drugs." And Doug Ray Shagel, head of the RCMP's drug intelligence and field operations division in Vancouver

said, "If you could take away these tips, that would devastate them as much as long prison terms."

Still, police may seize a trafficker's drugs. Indeed, the number of drug seizures across the country has soared—although according to Statistics Canada the number of people charged with drug-related offenses dropped to 97,640 in 1985 from 113,104 in 1980. A senior Ontario police official told Maclean's that there was probably one main explanation for the drop: police are concentrating on traffickers rather than small users, which has meant fewer arrests.

Seizure: Canada Customs, which created a 380-member drug unit in 1984 and assigned its members to ports of entry across the country, released a report last week which put a street value of \$384 million in the drugs seized between January and June of this year. The total for all of 1985 was \$244 million and for 1984, \$106 million. Vincent Castagny, the 40-year-old director of the interagency and intelligence division for Canada Customs in Ottawa, said the seizures were made by customs officers posing through "a lot of sustenance, a lot of laundry, shipments of fruit and meat and crawling around the holds of ships." Castagny said that the figures likely reflected "better international co-operation, better detection and improved cooperation among Canadian agencies" rather than an increase in the volume of drugs entering Canada.

In the war on narcotics, detection is the key, and law enforcement agencies across the nation say the ways of trying to avoid it are increasingly ingenious. Smugglers from Jamaica, for example, put the drugs in plastic bags, rolled the coconut with water and rolled it back through the police.

Customs officers once directed their suspicions at 18-to-25-year-olds, so the traffickers have switched to 50-year-olds. Cyril Pollitt, chief of air operations for Customs and Excise at Winnipeg International Airport, said customs have been found with drugs in rental planes. Others have swallowed condoms



Surface with hidden drug compartment: detection is the key.

filled with drugs. Staff Pollitt, on the way to handle such suspects. "You take them into an interrogation room and do a lot of paperwork. And wait." In June a 36-year-old Bermuda, B.C. man returned from a trip abroad and attempted to cut open his stomach with



Police exhibit of seized cocaine with street values \$5-10-billion business.

a knife in his bathroom at home. He was trying to remove 30 condoms that he had swallowed containing 2 lb of cocaine. In an effort to get drugs past dogs trained to sniff them out, smugglers wrap them in marshallite. The dogs cannot sniff the drugs, but Customs agents can sniff the marshallite. Staff Murray Dyer, head of the Cas-

sons service's 28-member drug unit in Toronto: "We're dealing with everything the human imagination can come up with."

Proxy: Not all concerns are members of organized rings. Sgt. Yves Roy, an RCMP narcotics agent in St-Jerome, Que., said dealers often rely on intermediaries or proxies. One acquaintance used a small group of welfare recipients from Quebec's Gatineau region as an all-expenses-paid trip to the Caribbean early this year. The catch: they each had to bring back several pounds of hashish strapped to their bodies. They were all caught at Mirabel airport east of Montreal.

In some cases innocent people become involved in middlemen on elderly couple in Flin Flin, Man., received a heavy lump from the Philippines. Pounded, they called the RCMP, who found more than six pounds of hashish worth more than \$65,000 inside. Investigation disclosed that the lump had been left unattended at the post office until postal officials decided to deliver it to the couple because they had the same surname as the one on the package.

Games: But undisciplined drug shippers often fall for the laps of prey. They are the prize in a cat-and-mouse game with imaginative traffickers. Toronto Staff Sgt. Lawrence Howe said that large drug rings are often as well equipped as the police. Staff Harvey: "We surveil them on them and they do surveillance on us. We follow a guy with his car or his truck and they will have five or six guys following at." However, traffickers will likely have trouble matching the latest technology. The RCMP's Doug Ray Shagel says the forces have begun using devices that, "attached to people or vehicles, can keep track of their movements." But for Shagel and drug investigators across the country, the trick is to find the people to plant the devices on.

—SAR COMBELL with DAN DEWEE in Montreal, ALISON HART and KIM MCQUEEN in Oshawa, DAVID TIGHE in Toronto, GARY SMITH in Winnipeg, KENNETH SCHULTZ in Edmonton and GREG PATTISON in Vancouver.



Canada Customs sniffer dog using its gift against imaginative traffickers.

CRACK'S DEADLY CYCLE

COVER

A highly addictive form of cocaine, known as crack, is spreading rapidly through U.S. cities. In New York alone, this year police have made more than 35,000 arrests for the sale and possession of the drug. And although police in Toronto, Montreal and Vancouver report only scattered incidents of cocaine, drug enforcement officials across the country predict that the quick euphoria that crack provides, and its relative cheapness, will make it popular in Canada as well.

Crack is prepared by heating a solution of cocaine, baking soda and water. Then, when smoke (small chunks of the dried substance in glass pipes) is inhaled, it produces a powerful high. Crack is sold in small quantities, often in the form of a rock. This report:

With their flashy clothes and hair arranged in dreadlocks, the dealers stood out among the soberly dressed young executives in Victorian Village and Plaza in Manhattan's 5th-avenue district last week. They showed signs of nervousness as they moved back and forth between the plaza's benches and revolving glass cases. Throughout the morning the dealers had been turning away customers—Wall Street messenger boys and unemployed kids—looking for crack, known locally as “joints.” Getting bored, several policemen, carrying theirilly stabs, in one corner of the park, one dealer said. “No jumps here, man. Bad for business.”

Cocaine. With its increasing popularity, crack has become the drug of choice throughout New York City during the past year. And public outrage—stoked by the campaign rhetoric of civic, state and federal politicians competing for office in November elections—is reaching feverish levels. Mayor Ed Koch, for one, has suggested that anyone convicted of large-scale drug deals should receive the death penalty. One recent poll showed that Americans consider the crack epidemic as one of the most serious problems in the United States.

But the same poll showed that many citizens question the notion of draconian penalties. Fully 80 per cent of the 1,020 respondents said that they believed that most of the demands for so-called “crackdown” campaigns and for drug

Brooklyn has contributed to an alarming 30.5-per-cent rise in murders and a 13.5-per-cent rise in robberies in New York between January and June of this year and the same period last year. In addition, New York schools chancellor Nathan Quaresima noted that police were making up to 30 per cent of their recent arrests near elementary schools. And Quaresima: “Parents know that here they have potential customers at their most vulnerable age.”

Cocaine. The controversy over crack results surface concern over the increasing popularity of such drugs as heroin, morphine and LSD during the 1960s and 1970s. Still, drug enforcement officials maintain that the crack crisis is different. For one thing, the drug is widely available and relatively inexpensive—costing only about \$15 for enough to give relatively new users a powerful sense of elation. But U.S. Drug Enforcement Agency official Robert Strang also noted that many users become addicts in the drug. The induced euphoria is short-lived, and some users quickly turn to crime in a quest for enough crack to feed their addiction. Said one heroin addict at a drug treatment center in Queens: “These crack people are unmanageable.”

Nowhere are the effects of the drug more visible—and dangerous—than in the inner-city children of smokers. Dozens of “crack babies” have had to endure painful withdrawal and lengthy stays in New York pediatric hospitals where mothers used the drug before they were born and later had no interest in taking care of them. Even though it is usually easier to withdraw from crack than it is to shake a heroin habit, some pediatricians say that crack babies will likely suffer long-term effects from their involuntary addiction. In addition, representatives of Hale House, a Harlem medical center which has been treating babies born to addicts for the past 17 years, reported that three crack infants had died there since June. Declared founder Clara Hale: “We never lost a



Crack: he got into the pipe and now he has nothing

testing was merely paternity-seeking statements by elected officials. But despite the rhetoric, the horrifying reality of crack addiction is clearly visible—particularly in the poor, black inner-city areas of New York, Los Angeles and Miami. A survey of 100 U.S. hospitals reports that almost 25 per cent of people admitted with cocaine-related health problems between January and March 1985 had smoked crack. And crack-related crime is such a problem in black New York neighborhoods as Washington Heights in Manhattan and Bedford-Stuyvesant in



Apartment court of dolls and warnings about drugs in a Manhattan neighborhood, the victims include the women babies

baby before There's how bad it is."

In response, many politicians have promised tougher legislation to curb the crack problem. "New York State Governor Mario Cuomo endorses tougher laws for selling any amount of the drug. At the same time, the city's police drug squad has been increased to 1,000 officers. Last month alone, New York police made more than 200 "head shops"—corner shops that sell crack-smoking and other drug paraphernalia. The sweeps netted 30,000 pipes among the sidewalked poops, many of them decorated with "I Love New York" emblems. Said Koch: "It's time for economic sanctions."

Hatched over a kitchen table in a squall apartment on Barclay Avenue in Manhattan's City-of-Neigns district, Wayne, a lanky young man from Trinidad, carefully retold the flurried heads of two match sticks around the base of a small, bent-resistant vinyl. Behind him, a covelet snickered up the yellowing wall, but Wayne's gaze remained fixed on the wall's contents—a solution of water, baking soda and cocaine. By 7 a.m. that day, Wayne and André, a Haitian-born prostitute in his late 30s, had been using cocaine for four hours, three "cookers" the powder in a purifying solution, then smoking the "rocks" of crack that formed when he dipped

the heated vial into a glass of cool water. The streets they used in a technique known as free-basing—including glass pipe and a porous rock—were supplied by Justice, a Jamaican-born cocaine dealer who lives in the apartment.

Killed. Some cocaine users still think "base houses," while others prefer the term "white houses"—and in Montreal the houses change so quickly as the terminology. One Montreal narcotics agent told Montreal that he had heard of about 10 base houses in different parts of the city. Many are found in poor neighborhoods like Barclay Avenue, a run-down residential strip of red-brick apartment blocks. There, last April a man stabbed and killed another cocaine user in an early-morning quarrel at one of the land bar houses.

The police investigation curtailed local free-basing activities temporarily, but residents say that operations have resumed. Said a 24-year-old Nova Scotian black who had lived on Barclay for 10 years: "Nobody sniffs and expresses any trouble. My uncle owned a record store and drove a BMW. He got into the pipe and now he has nothing."

Despite such cautionary tales, the free-basing houses continue to do business. At Justice's place, visitors came and went all day and night last week. After smoking his last bit of crack at 8 a.m., Wayne remained at the kitchen

table, staring at the hole-in-the-floor floor in search of a stray pebble of cocaine. Then two women and a regular customer known as "Bigfoot" came into the kitchen. Formerly a lanky man, Bigfoot appeared drawn and thin under his blue tracksuit, and his friends attributed his weight loss to a diet of free-basing. As the three waited, apparently hoping that André would invite them to get high with him, a neighborhood marijuana dealer entered and announced that he had quit free-basing. Said the dealer: "There comes a point when you either turn around or let the pipe take you away down, I got to turn it around."

Biggy. But Wayne and André smoke each day until their money is gone. The day last week Wayne smoked until mid-afternoon. Then, edge and ill-balanced, he left the apartment, returning two hours later to purchase a gram of cocaine for about \$120. When asked where he got the money, he replied that he had broken into a house and sold some equipment. He heard there for enough money to buy the cocaine. Wayne acknowledged that he is caught in a vicious cycle: 15 minutes of euphoria followed by a crash into depression and a search for more cocaine. It is also difficult to clear that he and growing numbers of users have no idea so much as that headsets—and the brief moments of euphoria it provides. □



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NETWORKING

Treasures amid the USFL's rubble

On the widespread eastern shore of Lake Erie, winning football seasons are as elusive as good job opportunities. But although a dream by a five-month one-man jury in a New York court this summer did not create any jobs in Buffalo, N.Y., it did precipitate a football resurrection.

Three major U.S. networks were declining, and the league eventually folded the 1985's start. In Canada, one of the nine Canadian Football League teams faced bankruptcy, only two teams were making money, and attendance across the country was falling. But now, after a recovery in the 79

ten Gamblers' offense, Kelly threw 82 touchdowns passes in three seasons with the New Jersey Generals. Walker rushed for 3,902 yards and scored 34 touchdowns in the overworked season of sport, the two are known as "impact players," whose presence has a direct bearing on a game's out-



The jury, ruling on the U.S. Football League's \$149-million antitrust suit against the National Football League, awarded the USFL \$1 in damages. The award is now under appeal, but the judgment effectively killed the three-year-old league and freed its players to seek employment elsewhere. One, quarterback Jim Kelly, signed with the NFL's Buffalo Bills. And now, only three weeks into the new season, the team's fans have put the letter past behind them. As Bills head coach Hank Baskett said simply "Jim Kelly is our future."

Last fall the future of leagues on both sides of the border seemed in doubt. The CFL was flourishing. As the NFL embarked on its 66th season, television ratings for its games on all

D.C.'s Marvin Fernandez (left) evading Toronto's Kent Parker: resurrection

ratings last season and a victory in the courts, the sport faces new challenges. And the CFL, after the off-season rebranding of the Calgary franchise and improved attendance this summer, is seeking to shore up its still tenuous financial standing with a strong performance on the field. Alone again as the only professional leagues in their nation, the two organizations are calmly sharing the spoils of the rift.

At the rubble of the league that lost \$300 million in its brief existence were several treasures. Principal among them were Kelly, 28, and running back Marshall Walker, 24. In two seasons at the helm of the Hou-

ston Oilers, Walker's impact was immediate. After signing a \$5-million five-year deal with the NFL's Dallas Cowboys, Walker scored two touchdowns in his first game. But even that stunning debut was dwarfed by Kelly's dramatic performance in update New York.

The "Kelly is God" banner waving at the end of Buffalo's Rich Stadium on Sept. 7 may have been an overstatement. Or perhaps it was an attempt to explain his new \$18-million five-year contract with the Bills. Still, the team's victory-starved football fans greeted the ex-fled, three-inch, 215-lb Kelly as the coming of the messiah. In the last two seasons the

team managed to win only four of 32 games. Reflecting an ineptitude unrivaled in the 28-team league, an average of slightly more than 28,000 spectators attended the team's home games last year. But when a record crowd of 39,061 gathered for this year's season opener on Sept. 7 against New York's Jets, Kelly reaped with three touchdowns passes. Said Jets defensive end Mark Gastineau: "The feeling around the league is that Kelly is going to earn every cent of his money." In fact, the signing of Kelly has already forced Bills management to hire an additional 21 people in the ticket office. They sold 38,000 tickets in six days for the opening game, as well as 6,280 season tickets. The revenue from the extra fans at that game alone represented one-third of Kelly's annual salary.

Kelly's fellow CFL players are not near the same tax bracket. Indeed, the majority have not found work. Of the 540 players released by the league in August, only 80 are currently on NFL rosters. And because their release cost 10 games into the CFL season, fewer than 30 players came north, more than half of them to the Ottawa Rough Riders. According to the CFL Union's director of player personnel, Ray Shivers, more ex-CFL stars will play in the CFL next year. Said Shivers:

"There are so many of them, we are going to have a hard time selling through them all." But ex-CFL players have appreciably improved their new teams in both countries. And the three-year competition that the defunct league waged for players increased the CFL's salary pool—all by about 10 percent a year, according to Jack Dealan, executive director of the NFL Management Council.

Still, the contracts of Kelly and Walker, plus the \$18-million deal recently signed by Miami Dolphins quarterback Dan Marino, will have a trickle-down effect. Added Dealan: "We have never had the long-term, guaranteed contracts of pro baseball and basketball. The contracts of Kelly, Walker and Marino represent a change in our way of doing business—and not a good change."

In Canada, the CFL Players' Association signed a new three-year collective agreement with

the league in April, before the CFL suspended operations. Said CFLA president George Reed: "Given the financial condition of the league and the condition of a number of teams, we made some concessions." Among them: agreements to increase the regular sea-



Kelly handing the ball to Greg Bell (above); Walker, impact players

son schedule from 16 to 18 games without additional compensation. But the players won improvements on medical benefits, termination pay and the arbitration procedure.

And, since the contract was signed, the league has performed another modest resurrection. Calgary Stampeder fans responded to the bankruptcy of their team by buying 22,000 season tickets and backing to summer games. By Labor Day, with four home games still to play, the 2065 attendance figure had been exceeded. The



equally desperate Montreal franchise was still attracting small crowds, but the team had restored its original name—the Alouettes—and had made a commitment to the future in the front office and on the field. In Saskatchewan, the Roughriders are a four-year-

ing lottery offering 9,500 tickets at \$100 each, with \$500,000 in prizes. It sold out so quickly that the team's management plan to hold another one. Said CFL commissioner Doug Mitchell: "Last year we went into the Grey Cup game with people saying there would only be 30,000 people at the game and no teams in Calgary and Montreal this year. Well, we had 32,000 at the Cup game, the Stampeder could make money this year, and the teams are still there in Montreal."

While the CFL is once again off the critical list, crucial TV contract negotiations are in progress. The league's \$30-million, three-year contract with CTV's Okech Broadcasting Ltd., which in turn sells the rights to the CFL and TV networks, expires in November. The brewery has balked at its intention not to renew the agreement, and Mitchell will say only that "we are looking at all the alternatives." For the NFL, whose forecast \$2-billion TV deal ends in January—the players' agreement expires in August—opening negotiations are even more crucial.

The TV negotiations have already been strained by the networks' claims that they are losing money on the NFL broadcast, and by rumors that the league is considering setting up its own satellite network or selling its rights to pay TV. But the league's real competition will come with its players. The NFL Players' Association's primary objective is free agency—the right of a player to sign with another team without his new employer having to compensate his old one. The objective of the league's Management Council is to win back some concessions made in the last agreement. But at least until both leagues sit down at their respective negotiating tables, both from Ottawa to Dallas are enjoying the best of what the turf left behind.

—RALPH WILSON in Toronto with
—Associated Press reports

Speculation on a suicide

On April 4, 1967, Herbert Norman scribbled a two-line note on paper, apologizing to his close friend Rolf Byg, Swedish ambassador to Egypt, for using his Cairo apartment building "But," he wrote, "it is the only clear jump from which I can avoid hitting a passer-by." With that, the tall, sensitive, 67-year-old Canadian ambassador took the elevator to the eighth floor and climbed the back stairs to the roof. He sat there for 30 minutes, head between his hands, apparently deeply depressed in thought. Next, he took off his coat, folded it and placed it—along with his watch, glasses and odd socks—on the pumpjet. Then, Norman jumped from the roof feet first and plunged to his death. In a suicide note that he left at his Cairo residence, Norman wrote, "These and the record will show that I am innocent on the central issue, that is, I have never conspired or committed an act against the security of our state."

Norman's suicide, at the peak of a brilliant, 15-year diplomatic career, shook the Liberal government of Prime Minister Louis St. Laurent. And since that day there has been widespread speculation and debate over whether Norman was a Communist agent. Senior officials at the department of external affairs considered him to be a victim of an anti-Communist witch hunt led by U.S. Senator Joseph McCarthy. But *Edgar Hoover*, who was then the director of the FBI, maintained that Norman was a Communist or Communist sympathizer. Now, the controversy has been extended by the release this month in Ottawa of previously secret documents—including the suicide notes. In addition, two new books about Norman take opposing positions on the spying issue. And a former colleague of Norman's admits to having new doubts about the ambassador.

Arthur Kilgour was first secretary at the Canadian Embassy in Cairo at the time of Norman's death. Now retired and living in Penzanceville, Ont., 96 km northeast of Toronto, he told *Macleans*'s last week that he now suspects that he may have been deceived attracted to Communist doctrine. In 1967 he had to piece together the last two weeks of Norman's life for a confidential dispatch sent to Ottawa. In his report, Kilgour described a man who could not endure any further interrogation about his political beliefs—even though a 1959 secret report had con-

vinced him who is haunted by destiny. His fate has been carved out for him, he is unable to control events and he knows his life is a tragedy." Concluded Kilgour last week, "There are unanswered questions about security and questions about his activities in the past that haven't been explored."

The most detailed of the newly released suicide notes, intended for External Affairs, reveals Norman's torment. Wrote Norman, "Never have I violated any oath of secrecy. But I am tired of it all. The forces against me are too formidable, even for an intel-

ligent man, and it is better to go now than to have indefinitely pinned with mud—although so much of it will be quite incorrect and false." Then he added, "I trust in an exhaustive and fair-minded study which will uphold my innocence."

But scholars still cannot agree on Norman's espionage. And in *No Sense of Evil: Espionage, the Case of Herbert Norman*, a 300-page book that Toronto-based Denora Publishers & Co. Ltd. will release next month, author James Barron argues that Norman was "employed in Russian intelligence work"

and as agent who "consciously collaborated" to aid the Soviet Union. Declared the University of Toronto political science professor "Mike is a minority position. But the idea of McCarthyism is sheer rubbish."

Still, others reject the argument that Norman was a spy although they acknowledge that he flirted with Marxism while attending Cambridge University in the 1930s. One is Roger Bowen, the author of a 406-page Norman biography which Viscount publishers (Daglas & McIntyre Ltd.) will release in November. It that sym-

phonic portrayal, entitled *Norman is Not Enough*, Bowen describes Norman as an enormously complex man who was, above all, loyal to his country. Said Bowen of Norman's detractors: "Their approach smacks of McCarthyism, with its more enlightened humanitarian. One tries to understand the spy, one the human being." But as the continuing interest and disagreement show, 30 years after his leap to his death Herbert Norman remains a figure of controversy—and mystery.

—BILLY MCKENZIE in Ottawa

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Freebie: singer Carlisle (below): no stereotypes

In British Columbia political circles, Premier William Vander Zalm and his wife, Lillian, are currently known as "Zalm and the bloodhead." Although it seems like the name of a rock group, the nickname refers to Lillian's habit of wearing rolled-up pieces of cloth around



her head no matter what the occasion. And since Vander Zalm was the provincial Social Credit leadership last month, Lillian's headbands have become a bit "As a joke," said daughter Jessica, her mother has been selling braided cotton ropes for \$5.95 each in the gift shop of Fantasy Garden World, the Vander Zalm's 816-million hot-air balloon garden and theme park on the outskirts of Vancouver. Business has been brisk—especially when Lillian is in the store.

When lead singer Shikoda Carlisle and the rock group The Go-Go's first began performing in 1980, their goal was to be the most successful all-female band in North America. They were. But the California quintet broke up more than a year ago, and Carlisle, 28, decided to

become a musician on her own. She has, with a bit single and solo album. And she claims to have developed a whole new lifestyle. "The Go-Go's dealt with success in ways that were probably pretty unhealthy," Carlisle, who recently married Morgan Mason, son of actor James Mason, who died in 1984, now says that she wants a comparatively serene life, raising children and mentoring girls. Explains Carlisle: "When I was growing up I had a lunk. The pag operators in something I want to do."

Actress Kelly Preston is blond and beautiful, but there's the Hollywood stereotype, mica. Only 26 years old, the Hawaiian-born former model has already overcome the danger of being typecast. She plays a well-described "bright but dimwitted" character in the recently released

movie *SpaceCamp*. In the upcoming feature *22 Pock-Op*, she stars as a prostitute opposite *Baywatch*'s David Hasselhoff. And in the comedy *Forever's* Love, currently filming in Toronto, she says that she is a "sweet and innocent" American Puritan. Said Preston: "I have been able to give each one of my characters a little taste of reality as that who is not a caricature."

The historic parallel was dramatic. Prime Minister Brian Mulroney, the Conservative leader with the huge majority but plummeting popularity, assumed a status last week of John Diefenbaker, the former Conservative prime minister who squandered

Majority election victory in Canadian politics and history. Mulroney, who some political observers say ran a co-opting strategy in the "Dung Out" campaign of 1987, could not be blamed if he were feeling a fatal shiver as he gazed up at the larger-than-life figure set in bronze that his remarks, made to 1,800 onlookers on Parliament Hill, were in a positive vein. Said Mulroney: "John Diefenbaker learned a lot about life, early in life and throughout

his life." Whether Mulroney has learned the lessons of the Diefenbaker era remains to be seen.

Crysler Corp. chairman Lee Iacocca has repeatedly denied any U.S. presidential aspirations, but he was sitting very much like a campaigning politician in Vancouver last week. Invited to speak at a World Affairs dinner, Iacocca arrived with a troop of aides and security guards. His news conference generated more media attention than those held by some visiting heads of state. Yet the self-described American patriot maintained, "I have been 30 years in the auto business and I'm just getting good at it."

As a little girl growing up in rural Texas, says Stacy Spaeck, she loved to pass the time by reading books about such heroes as Joan of Arc and Helen Keller. "I have always been attracted to women in adverse situations who find strength within themselves," the *Academy Award*-winning actress added. But in making her latest film, *Night Mocker*, an adaptation of Martha Norman's Pulitzer Prize-winning play about an epileptic's determination to commit suicide, Spaeck acknowledged that she had been "pushed to the brink." Said the frocked 36-year-old: "I had to dredge up every demon I have ever known."

—Eliot by BARBARA EIGHTON

Mulroney at unveiling, history lessons



We have many ways to tempt you out of the sun.

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How can you stand outside?

Elsewhere, a single piece of lace, as large as a cloak but as delicately intricate as a spider-web, fills a shop window. How many different ways wait inside?

It is impossible to stand outside.

But the beach is waiting, and the golf course, and the tennis courts, and saunas both in the harbor.

How can you possibly go on, out of the sun?



This year, say Si to Spain. Spain. Everything under the sun.

Black and white harmony

Paul Simon's new album, *Graceland*, opens with an accordion wheezing erratically, as if trying to catch its breath. Then, a shuddering drumbeat and a pulsing bass gradually add a more certain rhythm. By the time Simon begins to sing, the strange music has cast a hypnotic spell. That first song, *The Boy in the Bubble*, is a stirring introduction to the colorful sounds of South African music, a top-spy world where guitars play the role of percussion instruments instead of providing the melody, and voices create rhythmic accents. Simon recorded *Bubble*, like much of *Graceland* (WEA), in both Johannesburg and New York. By melding the traditional, vigorous urban sounds of black South Africa with the latest synthesizer techniques of U.S. pop, he has created a musical hybrid. And his excitement with that synthesis is evident when he sings, against the tracing musical background of *Bubble*, "These are the days of miracle and wonder."

The *Graceland* project began two years ago, when a friend gave Simon



Simon, a topsy-turvy world of sounds

a tape of what is known in South Africa as *Isigqungu* (township jive)—the street music of Soweto. He was so enthusiastic about the style, which he calls "very up, happy music—familiar and foreign-sounding at the same time," that last year he sought out some of the same black musicians to make a new album with him. At a time when most pop stars are boycotting South Africa because of its apartheid policy, that might appear to be a risky career move. But the 46-year-old singer-songwriter has himself proven his support for the anti-apartheid cause by twice turning down invitations to play in South Africa. As well, before visiting Johannesburg, Simon consulted such respected black American artists as Quincy Jones and Harry Belafonte. They encouraged him to make the trip.

According to Hilton Rosenthal, a white South African record producer who introduced Simon to local black musicians, *Graceland* has been "warmly received" since its release there this month. Said Rosenthal: "Paul didn't come, raid the culture and dash off. He mediated everyone and paid them well." During two weeks in South Africa, Simon co-wrote and recorded five of the album's 11 tracks with musicians he met. That collaborative approach pays off. On *I Know What I Know*, co-written with Gen. M.D. Shabane, a per-

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farmer from the Shangan tribe in the northern part of the country, steady guitars weave through the song to create dense, percussive sounds. As Simon sings of meaningless conversations at a fashionable party, Shamma's back-up group, The Giza Sisters, provides a spirited, whooping accompaniment. Ladyman's Black Manikao, one of South Africa's leading black vocal groups, graces two tracks with its sweet sounds. *Homeless* is a gospel-like hymn co-written with the group's leader, Joseph Shabangu, in which unaccompanied voices sing softly in both English and Zulu about the "moonlight sleeping on a midnight lake." And *Goodness on the Soul of Her Shoes*, about a poor boy who is "nearer to a pocket" and a girl so rich that she has gone unbedded in her shoes, features the charming interplay of Simon's and Ladyman's voices.

Goodness includes American singers: The Everly Brothers and Linda Ronstadt. But the real stars are the South Africans, many of whom are reaching North American audiences for the first time. The Dopey Boys, a twelvish Jew band, use consonants and vowels to produce their music's distinctive, hard-edged, rattling sound on *Gumboots*. And Chikapa (Ray) Phiri, leader of the successful band Simela, embellishes *Crazy Love*, Vol. II with cascading guitar notes.

Simon has traditionally been attracted to the sounds of the Southern Hemisphere. While performing with singer Art Garfunkel in the late 1960s, he introduced many listeners to Latin American folk songs through the *Viking* *Ballads of El Condor Pasa*. He was also among the first North American performers to incorporate Jamaican reggae, in his 1972 hit *Me and My Girl*. In these pieces, Simon was wisely tapping the cultural waters. In *Goodness*, he has totally immersed himself in the deep currents beyond the pop mainstream.

For Simon, who is one of pop's most gifted songwriters, *Goodness* is a significant artistic achievement. Although the album is unlikely to win a place at the top of the charts, it does contain some of Simon's best compositions in years. The title track, named after Elvin Stoen's mansion in the U.S. Deep South, includes the powerful lyrics, "Loving love is like a window in your heart/Everybody sees you're blown apart." In *Shabba*, Simon offers sardonic images of a "South in the holy carriage" and of "banes in the jungle" to convey the chaos that often results when cultures collide. As *Goodness* shows, these influences can also produce dazzling creative sparks.

—MICHAEL JENNIFER

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On the dinosaurs' trail

Because a land mass connected Asia to North America 100 million years ago, researchers have found remarkably similar fossils in regions as widely separated as China's Gobi Desert and the badlands of southern Alberta. Those areas contain the world's richest dinosaur sites, and that ancient biological connection led the two countries to begin an eight-year cultural program last November. Last May, as a result of the agreement, known as the Canada-China Dinosaur Project, two Canadians became the first Western scientists in 50 years to visit extensive dinosaur beds in northwestern China. But that eight-day field trip is only a small part of a project designed to unearth fresh information on the mysterious giant animals that flourished for 140 million years. Declared Philip Currie, a Dinosaurier, Alberta scientist who was on the May expedition: "They died off after being on top for so long, and that bothers people. It says something about our own chances of survival."

An assistant director of the provincially operated Tyrrell Museum of Paleontology—the study of fossil remains—in Drumheller, Currie has firsthand evidence of a widespread fascination with dinosaurs. For one thing, the \$20-million museum has become one of the province's most popular tourist attractions since it opened a year ago. It has drawn almost 600,000 people to see the collection of 30 mounted skeletons and the remains of 26 other dinosaur species in nearby Dinosaur Provincial Park, 300 km southwest of Calgary. That fossil treasure drew a group of local dinosaur enthusiasts a marked advantage over U.S., French and British rivals who were also attempting to gain access to China. Said Brian Noble, executive director of The In Terra (Latin for "From the earth") Foundation, an Edmonton nonprofit organization which helped engineer the exchange: "There are only two things from Canada that have great international appeal—the Mounties and our dinosaurs. The 30 members of the group say they are confident that the public fascination with dinosaurs will generate up to \$50 million in revenue. As a result, they are planning a 1990 world tour of dinosaur remains which will visit museums across Canada, the United States, Europe, Australia and Japan."

The tour will last four years and will involve sending an 8,000-square-foot

exhibit to locations such as New York City's Museum of Natural History. And tour organizers say that they will strive to ensure that the 70-million-year-old skeletons unearthed in Western Canada and China are not reduced to dust while moving from city to city. An exhibit of treasures found in the

town of the 14th-century-BC pharaoh Tutankhamun attracted seven million viewers in the United States and Canada in the late 1970s, but Noble noted that many of the artifacts were damaged before they returned to Egypt. Added Noble: "The fossils will be well-protected, especially since all our surveys show that a big dinosaur exhibition would be more popular than King Tut."

Meanwhile, feedback is continuing in both China and Canada, and last July two Chinese specialists accompanied Currie on a month-long trip to

Asiatic Heilong and Eileenore islands in the Canadian High Arctic. There, the scientists searched for evidence of ancient migration routes which parallel the seasonal movements of animals such as caribou. Canada's northern regions had a temperate winter climate 70 million years ago, but such dinosaurs as *Sauropodomorphus* (a duck-billed, two-legged vegetarian) still moved north each fall in search of food. The July expeditions did not uncover any significant traces of dinosaur movements, but continuing research on ancient ranges in southern Alberta and

Northern have led scientists to modify long-held views which depicted dinosaurs as solitary giants who shared each other's company. Fossil remains in those two areas indicate that plant-eating dinosaurs once gathered in herds containing as many as 70,000 animals. Added Currie: "Those discoveries have shaken up our ideas about intelligence. It may be that animals don't need big brains to have complex social structures. And we are no longer sure whether dinosaurs were warm- or cold-blooded or the ancestors of today's lizards."

Still, from widely separated fossil records, researchers say they know that duck-billed dinosaurs originated in North America and migrated to Asia 90 to 100 million years ago, while horned dinosaurs were moving in the opposite direction. And as Canada and China investigate a common heritage, Currie is confident that science will clearly benefit from the exchange. So, too, will a dinosaur-seeing public.

—MALCOLM GRAY with JOHN HUNTER in Calgary

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Adrift in chaotic times

NADINE

By Matt Cohen
(Penguin Books, 236 pages, \$19.95)

Mat Cohen's new novel, *Nadine*, attempts to catch some of the violent colors of the 20th century in the prism of a single life. His heroine, Nadine Saksoupol, is a survivor of the Holocaust. Just a baby when the Nazis arrest and later kill her father in France—her mother, meanwhile, goes missing—she is raised for the remainder of the war by her mother's sister, Lise, in a Paris apartment. Then, in 1948, Lise sends the lonely, bewildered eight-year-old to Canada, where she grows up in the Toronto house of her new guardians, the Bowmans. Reentering the University of Toronto in the 1960s to study autobiography, Nadine becomes romantically entangled with the brilliant, retired, spy-memoirist Prof. Finkowski, her uncle and fellow Holocaust escapee. Further sensory and intellectual adventures take her to the psychedelic England of the 1960s and the war-torn Israel

of the 1980s. The book's broad story arc takes us left- and right-wing politics, the peace movement and super-power relations—but that very sameness creates problems.

Nadine often reads as if Cohen were rushing her heroine through her event-

I knew that the time had come to stop distancing myself from my characters and be more personal in my work'

ful life simply to fulfil his grand plan of covering the last half-century; he frequently fails to give a character or incident the detail and weight it deserves. That fault ruins the first 80 pages of the novel, an earnest but tedious summary of the first months of Nadine's parents' lives. But *Nadine* finally shows some fire when Cohen describes the comically charming early

love life of Miller, Nadine's friend and fellow autobiography student. Miller's scholastic responses when he pursues Armada, an un-bland, high-wired, flirtatious rich girl who is dedicated to her studies, Miller attends all his lectures just to sit beside her. Other scenes, too, stick in the memory, including the dreadful dinner party at which Nadine observes her lover's father, an American general called Harold Richardson, eating his meat with such rigid precision that his knife screeches like a tortoise's movement against the plate.

Unfortunately, such moments are exceptions in a novel where many of the characters are bloodless ghosts, and where the gritty, unpredictable feeling of daily reality is missing. Five years ago Cohen completed an impressive fictional cycle known as the Salem novels, set in eastern Ontario. Tense and superficial, *Nadine* fails well below that achievement, a substantial performance from a gifted writer.

—JOHN BENDROE

Novelist Matt Cohen's quiet, serious voice lifts into an ebullient laugh as he describes the apartment in Paris that will be his home until next July. He arrived a month ago with his wife, Patricia Adams,

publisher of Greenwood Books (the children's literature imprint of publishers Douglas & McIntyre), and their children, Daniel, 4, and Madeline, six months. He says that he will spend the year working on his next book and getting to know Europe from his Left Bank headquarters. Still 43-year-old Cohen is a recent telephone interview. "It has a terrific view of the Eiffel Tower and balconies in every room. And there are four marble fireplaces—none of which work." But the lack of a roaring fire does not dampen Cohen's enthusiasm; he says that he takes delight in the crisp Paris fall, the new season of short stories he has just started to write and the trip home to Canada on Sept. 30 to begin a two-week tour to promote his latest novel, *Nadine*.

For the genial Kingston, Ont.-born author, who has published 37 books in the past 17 years, *Nadine* represents a major shift in his literary voice. In his acclaimed Salem novels, he described the lives of many families in the region surrounding the fictional town of Salem, an area much like the eastern Ontario countryside where Cohen owns a 170-acre farm. In *Nadine*, he has widened his literary landscape to include the major cities of France, England, Canada and Israel, and has chronicled the political currents of the 1960s and

1970s that he himself experienced. Cohen said, "This is probably my most autobiographical book in the sense that I had the chance to put forward my own political views." He added that while he was writing *Flowers of Darkness*, the last of the Salem books, published in 1980, "I knew that the

gratified that during his tenure as chairman of the Writers Union of Canada, which ended in June, the union achieved its longtime goal of a payment-for-public-use program across Canada. The program, included in this year's federal budget, will initially provide \$2 million to an estimated 5,000 Canadian writers, according to a formula that sets aside

a small payment for each one of their books in the public library system.

For now, Cohen says that he plans to take full advantage of his European sojourn; he will promote his books in France and England, lecture at Canadian Studies students in Bordeaux and Strasbourg, France, and enjoy the freedom from

the constantly jangling telephone at his Toronto office. Still, he said, "I can't imagine leaving my home, the Canadian landscape. My farm north of Kingston is really my home, and I still want to put my experience of the physical sense of Canada into my books."

—LEAH KILLER in Toronto



Cohen: alone and the comfort of a tortoise's knife

time had come to stop distancing myself from my characters and be more personal in my work. And *Nadine* is the first novel in which I'm completely comfortable in an urban voice."

But Cohen says that he has no intention of making a permanent home with Canada, as he moved on in his life. He added that he is particularly

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By Douglas How
(Lancaster Press, 274 pages, \$8.95)

Isaac Wilton Killam hated taxes. But unlike many rich men, the Yarmouth, N.S.-born financier deliberately did not try to avoid the heavy death taxes that would be levied on his net fortune, worth an estimated \$63 million when he died at age 70 in 1955. According to journalist Douglas How in his biography, *Canada's Mystery Man of High Finance*, Killam argued that because the government would get most of his fortune in any case, he intended to bequest nothing to universities or other public institutions, but would let Ottawa use his money however it wished. In 1937, the Liberal government of Louis St. Laurent did just that, using the \$40-million windfall from Killam's estate to help fund the new Canada Council.

The story of Killam and the Canada Council is one of many little-known facts about the mystery businessman described during his lifetime as one of the richest men in Canada. Throughout the 1920s, How writes, Killam gained wealth in the electricity and pulp and paper industries by simple methods. "He spotted potential, got in cheap, and held on while he developed or expanded the business." His skill in spotting firms was him the widely used nickname "doctor of companies."

The secrecy of information about Killam has delighted other authors. Peter C. Newman, in his 1993 book, *Planes of Power*, credited Killam because, he said, he could not find enough information on him. Killam left no files or letters. He shunned the spotlight, refusing most interviews and sitting silently by himself at parties. But How has conducted numerous interviews with those who knew Killam and his wife, Dorothy, an outrageous blonde who sought public attention almost as much as her husband modelled it.

How's perseverance has yielded a slim, sometimes choppy volume which tells an arresting and necessary story about one of Canada's most important financiers in a business world now populated by entrepreneurs who grow rich through takeovers, the story of Isaac Killam, the resource industry magnate, is a refreshing tale.

—MICHAEL HARTER



MacLachlan, Rosellini: Bland surfaces that mask a multi-layered underworld

FILMS

Labyrinth of lust

BLUE VELVET

Directed by David Lynch

Hypnotic and often perplexing, David Lynch's *Blue Velvet* defies conventional expectations. The story opens with a freshly scrubbed young man, Jeffrey (Kyle MacLachlan), suddenly discovers a human ear in the grass. He takes it to Dr. Williams (George Clooney), who advises him to leave the matter with the police and not get involved. But the doctor's innocent, curious daughter, Sandy (Laura Dern), begins to pass Jeffrey information about the case. Shyly attracted to one another, Jeffrey and Sandy dig deeper. Their investigation leads to a lounge singer, Dorothy Valens (Isabella Rossellini), whose sassy rendition of the title song underlines the movie's mood of menace and seduction. Before long the couple has been drawn into a chaotic world of terror.

Lynch, who also wrote the script, uses unfolding events in that subterranean universe to reflect Jeffrey's subconscious fears and desires. The second ear belongs to Dorothy's husband. Both he and her child have been kidnapped by an antisocial psychotic.

Frank Booth (Dennis Hopper), who is blackmailing Dorothy into conducting a sadomasochistic affair. Hidden in a closet in her apartment, Jeffrey watches in fascinated horror as Booth forces Dorothy into submission. Later, when the victim discovers Jeffrey, the two turn sexually violent, making him strip at knife-point.

Nothing in *Blue Velvet* is what it seems to be. Even time and place are ambiguous. It is never clear whether the story is set in the 1950s or the 1980s, in a medium-sized city or a small town. But the bland surface of life masks a complex and macabre underworld of mutilation, murder, drugs and assorted perversions. And the police gleefully take part between Jeffrey, Dorothy and their parents have the ring of parody.

In previous movies, particularly his adaptation of the science-fiction classic *Dune*, Lynch demonstrated that storytelling and character development hold scant interest for him. Here, too, the narrative seldom makes literal sense. The logic of the movie is closer to that of a dream. And the protagonists in *Blue Velvet* are two-dimensional caricatures. MacLachlan and Dern are eloquent innocents, Rosellini a nervous beauty and Hopper, outstanding in the role, a madman. But Lynch's careful explanation of the archetypes adds to the film's patina of surrealism.

Visually stunning, richly beautiful and often eerily funny, *Blue Velvet* emits a potent spell. Like a magician, Lynch plays on the audience's fascination with the grotesque, conjuring surprises—usually shocks—at nearly every corner. And he accomplishes that feat as effortlessly and seductively as if he were creating velvet.

—LAWRENCE OTTOLE

The longest Newfie joke

THE ADVENTURE OF PHANTASM RIDGWOOD
Directed by Andy Jones and Michael Jones

The first hour of *The Adventure of Phantasm Ridgwood*, a fantasy-satire from Newfoundland, unfolds enough moments of hilarity to leave audiences sobbing with laughter. Regrettably, the second half contains sections of profane tedium that the movie's outlandish beginning features so much ridicule breeds that it pains most Canadian viewers made in recent years to subject shame. Some of the film's producers and cast are former members of Cocom, the Newfoundland revue troupe that has delighted Canadian audiences since the mid-1970s with tours and television appearances. The group made *Phantasm Ridgwood* over a 10-year period for about \$200,000—a budget not much larger than the combined seasonal unemployment benefits for a Newfoundland fishing outfit. The result is a brilliant idea gone woefully out of control.

The plot centres on Phantasm (Andy Jones), a mild-mannered civil servant in the provincial government's education department, who wears a plaid sports jacket that has inspired Cocom. Once an inmate of the island's main psychiatric hospital, locally known as "The Mental," Phantasm endures of becoming the head of a Newfoundland revolutionary government intent on ousting from the seat of Canada. But the real government, far which Phantasm both is almost as ridiculous as his history to generate publicity. Premier Jonathan Moon (Nelson Fortner) occasionally goes into hiding, leaving a clue about where he is. Voters send in their names for a long TV show in the hope of winning various prizes, such as money and cars. The fictional premier's gambit seems to be a parody of Newfoundland's elusive former premier Frank Moores.

The film's satire moves from mischief into outrageousness with its portrait of Eddie Fiddie (Robert Joy), a charismatic but infamously genial politician. Eddie's main skill is his flair for wringing reliable laughs at political gatherings from one silly Newfie joke. Meanwhile, he secretly seduces little girls with disguised help. Jones' Phantasm's immediate superior is Fred Bonta-Combs (Brian Downey).

the head of the education department. A psychotic and a fascist, he makes Ptasnik do his bidding by threatening to send him back to "The Mental." The fine line between scenes of utter madness in the educational department, Ptasnik's hallucinations about political power and his talks with a worried guardian angel (Georg Malinen).

Essentially, a war with "The Mental" painted on its side carries Ptasnik away. The remaining subplot, including several that fade soon after their introduction, converges shakily at a clarity performance by members of the government. By then, it is clear that the film has tried to accomplish far too much. And if it is laden with local references that will mystify strangers to Newfoundland. When Heady Nolan (Mary Walsh), the object of Ptasnik's affections, returns to the office bringing about a spectacular dirty weekend, she has just enjoyed in Gander, only those familiar with island folklore will get the joke: the most exciting thing anyone can do in Gander is go on a plane and leave.

But true wit, especially the seething kind of Ptasnik *Beloved*, can cross cultures. Recalling his school days in a parade reverse, Ptasnik watches as a parade of men and frustrated gay teenagers lead and practically decapitate their frightened charges into submission. In another fantasy, about life as the island's revolutionary ruler, Ptasnik attends the world premiere of his own screen biography. That reflection, surrealized chronicle features a local's older entertaining the local women by performing a dangerous dance in a kiln.

Despite its numerous flaws, Ptasnik *Beloved* conveys the islanders' character with superb aplomb. Newfoundlanders, a people who live with both hardship and absurdity, often choose to laugh at their circumstances. The comic veterans in the cast display a marvellously tart, newspaper-style wit and rhythm. The acting, except for Andy James as Ptasnik, is crackerjack. For with his bespectacled mien face, James' Ptasnik is a timid hero, almost impervious to reality. Yet James convincingly portrays him as no crinner than the world he inhabits.

There is a cruel and ultimately sad-ending edge to the humor of Ptasnik *Beloved*. But somewhere over the decade that was required to make it, the Newfoundlanders of the past, possibly they wanted to say: "Innocent, it appears that they made every statement they could think of. Despite the evident strain of their attempts, *The Adventure of Ptasnik Beloved* is brimming with comic invention.

—LAWRENCE STOLK



Howls as the Russian czar muses, gulls and the rattle of painted doors

OPERA

Two bloodied thrones

In a bold throw of the dice, the Canadian Opera Company (COC) has opened its 1986-87 season with spectacular new stagings of two tragic operas. Boris Godunov by Modeste Mussorgsky and Moshele by Giuseppe Verdi. Both feature astonishing, gull-ridden protagonists. And both works indicate the COC's willingness to explore the art's wider, less-travelled landscapes.

Boris Godunov, which opened in Toronto on Sept. 12, is the more conservative of the two productions. Director Loth Mannering, who is also general director of the COC, recreates the harsh world of late-16th-century and early-17th-century Russia with extraneous address reminiscent of the Hollywood epics of Cecil B. De Mille. Nobles dominate the stage in magnificent black and gold robes, while a corruption-prone prosecutor rattles past with pointed irony of power. But the production's wealth of images threatens to crowd out its passionate story.

The glorious Boris has acquired the white-crowned throne of the czar by murdering the rightful heir. Fear of discovery seemingly dawns on him right then. A pretender to the throne rises out of Poland, and a stately Polish prince, Marina (Claire Powell), asked to marry him and through him ascend to power. But what ultimately topples Boris is the revelation of his guilt by the Russian monk Pimen (sung with bounding resonance by Kevin Lan-

gan), who arrives in Moscow and reveals the bloody story.

Moshele's lighter music paints a folk panorama of Russia like stark harmonies chart Boris's inner psychoses and his eventual downfall. Respectably, Bertold Kischewitz's conducting is rather sluggish and only occasionally captures the visceral excitement of the score. And although the magnificent Welsh bass Gwynne Howell has a mesmerizing stage presence, he fails to paint a portrait of psychological complexity.

But if the Russian opera is only a partial success, there is every bloodied that Moshele—which opened on Sept. 19 in a co-production with the Los Angeles Music Center Opera—will be an unqualified triumph. It features an exceptionally strong cast headed by Canadian Allen Mack (Moshele) and Don Garrett (Bogdan) and Hungarian Sylvia Sans (Hady Mack). Where Boris Godunov echoes Hollywood, Moshele takes its inspiration from Japanese medieval war epics. Director Erik Munk and designer Wilfrid and Anna Steinhilf have captured Shakespeare's Scottish warriors as samurai, with slacking primary colors and spartan sets. On the wisdom of Boris Godunov, a critic might conclude that the COC had become anaesthetized. On the evidence of the daring Moshele, the company will lay such conjecture to rest.

—JOHN PETERS

THEATRE

The sorrowful suite of a solitary man

THE DOUBLE BASS

By Patrick Sweeney
Directed by Lloyd Coote

Combsense and more than six feet tall, the double bass resembles a gargantuan violin. It requires great virtuosity to play, can hit extremely low notes and, according to the solitary musician (Eric Peterson) in *The Double Bass* by German playwright Patrick Sweeney, "is far and away the most important instrument in the orchestra."

By the end of the evening Peterson learns that beast inside out in a virtuoso performance, which over the past year has delighted

even for a man who gradually exposes the secrets of his tumult soul. He shares his home with his instrument. Throughout the play the huge, chocolate-colored double bass looms like a silent antagonist, constructing or affirming the improvisational speeches that Peterson delivers.

The Player's monologue takes the form of a confession that gradually lurches toward honesty. At first he can only brag about the power of the double bass. "Four or five at a time," he claims, "can run away with an entire orchestra." But by the end of the play he is admitting his own incarceration. "I have just enough talent to scrape away

his eyes blinking behind rimless spectacles, he evokes all the paths of a man who is sliding into middle age without family or close friends. Yet he is proud too, with a Germanic precision that makes him a loyal soldier of his own loneliness. In one remarkable scene, he puts a record on his stereo and sits back in his chair to listen. For the entire runtime or two that the music plays, he eventually the audience merely by changing the curl of a lip, the tension in an eyebrow. In another scene, he becomes almost physically active as he zips his double bass and pretends it is Sarah Coddling, strutting and finally rapturizing the instrument with his love, he manages to combine wild horse and desperate sadness.

The Double Bass sleeps in the Real 40 minutes, the fault of a script that is simply too long. And Peterson's German accent occasionally slips out of gear. But to demand perfection in a show as entertaining as this is to be uncharitably greedy. Eric Peterson and *The Double Bass* were made for each other.

—JOHN DEMME

MACLEAN'S BEST-SELLER LIST

Fiction

- 1 *A Matter of Honour, Andrew (3)*
- 2 *Red Storm Rising, Clancy (3)*
- 3 *A Perfect Spy, Le Carré (2)*
- 4 *Wonderland, Steel (2)*
- 5 *Act of Will, Strindberg (2)*
- 6 *The Bourne Supremacy, Ludlum (1)*
- 7 *The Power of the Dark, Smith (1)*
- 8 *Snow, Carson (1)*
- 9 *Fit To Die, MacArthur, Kinsley (1)*
- 10 *Lost of the Breed, L'Amour (1)*

Nonfiction

- 1 *Fatherhood, Cully (3)*
- 2 *Fit for Life, Diamond and Diamond (2)*
- 3 *Vamp, Berens (1)*
- 4 *Invitation to a Royal Wedding, Hill (1)*
- 5 *James Herriot Dog Stories, Morrell (1)*
- 6 *The Execution Diet, Katsulis (1)*
- 7 *Ford: The Man and the Machine, Leary (1)*
- 8 *300 Best Companies to Work for in Canada, Ferns, Perry & Lyon (1)*
- 9 *Rock Road: Bill Story, Morrell (1)*
- 10 *Callahan's, Pelkey with Bates (1)*

(1) Figures had week
Compiled by Frances McElroy



Peterson: counting, checking and finally giving the instrument with his bow

Toronto audiences at the Barragans Theatre and the DeMeester World Stage Festival. Now, popular demand has brought *The Double Bass* back for an extended second run after five weeks at the Barragans it will give Peterson an opportunity to perform in Ottawa a chance to savor one of the finest one-man shows of recent years.

Peterson is already well-known to Canadians for his starring role in *Billy Bishop Goes to War*, which he co-wrote and staged with John Gray. That play, which was critical success at home and abroad, suggested that Peterson had the skill and presence to hold the theatrical spotlight by himself. In *The Double Bass*, he is alone onstage for an hour and 40 minutes, acting the part of the Player. The side company of a tiny apartment, the Player announces that he is a musician with a reputational orchestra in Germany. But he never divulges his name—an odd act of refu-

ing as an instrument I don't really like and that other people can't tell if I'm playing well or not." Yet, although he plunges into despair, his journey downward is juxtaposed with humor. A highly opinionated man, he dissects on politics, marriage history and psychoanalysis—which he parodies humorously by analyzing himself. Admitting that he is a musician, he claims to have chosen his instrument just to punish himself with the obscurity that is the lot of double-bass players. He also confesses to an unsuccessful love affair with Sarah, a young neurosurgeon in the local opera company. After having drunk far too much beer, he complains loudly. "It takes me to see the woman I love going out with other men!" But a moment later he sheepishly admits, "It's true she doesn't know me."

Peterson is brilliant as the Player his thinning hair touched with grey,

A spat fit for Dief the Chief

By Allan Fotheringham

When he became Prime Minister in 1957, John Diefenbaker carefully chose the office he wanted on Parliament Hill. One settled in, he invited in a friend one day, beckoned him to the window and pointed across the wide parliamentary lawn. "See," he chorled in glee, "I'm looking down on these! The editor looked across the lawn to see "them"—the paranoiac Dief's turn for all those who sat in the venerable Riders Club just across Wellington Street. "Them,"

for the grumpy populist, were all his enemies, the rich, the businessmen, the Ottawa Establishment figures who had scorned him in their thick leather chairs over the match and sofa. And now he could peer down on them in contempt.

The old Chief, who never forgot and never forgave, was shorting again last week from the height of his magnificent bronze statue unveiled on a rise on that same lawn. Down below him on Parliament Hill was more Tory outrage—scrapping and fighting and bickering and petty slights and foul curses. All because of the day that was designed to turn Ottawa's attention to him once more, however briefly. He would have known it.

Ottawa in the last half of September is about as fit, best, a narrow window of opportunity between the heat and the cold. The leaves are turning yellow and orange, and the color is enhanced by the rich red chert rising from the wounds of the Conservative faithful as they delight the headline writers by bawling and thrashing each other over someone who has been dead for almost a decade. Even in his grave, he reduced the party to the level of his own era—over fistfights, snoring, suspicion, feuding, charges followed by counter-charges.

The Conservative government is in serious trouble in the polls. Brian Mulroney is humiliated at every turn. Mike Wilson says that, whoops, he made a \$2.5-billion error in the budget, but has solution to it is neither so vague tactic

nor slash government spending. The Liberals are doing their own interne-cine thing, whirling at the heels of John Turner, to the greater good of Keith Dewey's book sales. So, in all this, what is the Tories to do? Right? Get into a public scrap over the Man from Prince Albert, who split the party while living and now embarrassing it even while dead.

A lot of time is consumed arranging any commemorative event in the capital (as witness the current state of the Ottawa airport, the slow-moving construction project since the Pyra-

ship—a principle all three parties now accept without question.

Perhaps it was the addition of Camp to the confused Tory mix in the Prime Minister's Office that set the Dief loyalists into action. Like Carter, they go down to the last man. So the party brass, including many who helped overthrow him (Mulroney, Fiers MacDonald, now-Senator Lowell Macdonald, now-Senator Norm Adams) were arranging an official wine-and-cheese party for the dead, departed man after the unveiling. So the latter loyalists would mean their own dinner to his memory—carefully excluding Mulroney and Camp from the invitation list.

Here we had the perfect Ottawa scenario. The PM in some trouble over his confusing statements on drugs and free trade on a Western Canadian tour. Wilson about to make a major economic speech before all the money gamblers of Toronto. Turner supposedly peeling before book seller Bruce Dewey. And the party gleefully waiting its count how many bodies show up at the official Dief tribute evening, say by those who threw him out, as opposed to the rebels and the Gators who do their last stand.

In the end, of course, death prevails. After a considerable upset, Dief loyalists' dinner is cancelled. A muffled Mulroney, after unveiling the old guy, mused with the official guests over the wine and cheese and left after an hour without delivering his advertised speech.

To help things along, a shrewd Toronto politician (where all those hot-cut Dief enemies came from) scheduled a book launch party immediately after the unveiling for the tome of Sean O'Sullivan, who adored Dief at age 12, because his surrogate son, was at 30 the youngest MP and now as a Roman Catholic priest has produced a book so honest that everything Camp and Mulroney ever said about the man's mismanagement seems true.

O'Sullivan, by the way, delivered the invocation at the ceremony, a new breakthrough in book promotion. Dief must have been the only man in history to dance on his own grave.



(mid). The whole idea of the Diefenbaker statue ceremony was meant to coincide with his birthday (he would have been 91). It's not too hard to figure out that birthdays don't change, that the ceremonies for the Chief could have been anticipated and planned months—if not years—up the road. Les Huk, the Ukrainian-born Winnipeg writer who captured perfectly the mock-serious stoniness of the man, surely took that long. But could the Tories get their act together in the run-up? Of course not.

Mulroney, just weeks before the event he was to provide over, appointed the Typhoid Mary of the party, Dalton Camp, to a fancy post, the job description of which can be best described as the party's Thor Heyerdahl (as opposed to Mr. Dewey's previous role as chief officer of the *Times*). Newspaper recycling rethug him Camp as a Britain who did it in the heroic Chief, in fact, all he did was to assert the democratic right of a party to renew its leader-



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